



Daily Report

East Asia

FBIS-EAS-88-249
Wednesday
28 December 1988

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Jakarta Meeting on Cambodia May Be Postponed
BK2312004588 Bangkok BANGKOK POST in English
23 Dec 88 pp 1, 3

[Text] The second Jakarta Informal Meeting [JIM II] scheduled to be held in February is likely to be postponed, informed diplomatic sources told the BANGKOK POST last night.

The sources said the three Khmer factions strongly suggested a postponement following reports that China and the Soviet Union had reached agreement on a timetable for withdrawal of Vietnamese troops from Kampuchea.

Although one source said that a postponement of JIM II is imminent, another diplomatic source said a postponement is possible but would depend on host country Indonesia's reaction to the Khmer coalition proposal.

The postponement was proposed on Wednesday at a meeting of senior ASEAN officials here to prepare for the special ASEAN Foreign Ministers meeting and JIM II.

According to one diplomatic source, the Khmer coalition proposed the postponement because it had received reports that China and the Soviet Union had reached agreement on the timetable for the withdrawal.

The source said Prince Norodom Sihanouk had been informed by Chinese diplomats in Paris of the agreement.

Another diplomatic source confirmed that the postponement had been proposed at the meeting of ASEAN officials but that a decision had not yet been made on it.

The Khmer factions believe a postponement would be advisable because, they say, a second JIM meeting would be used by the Vietnamese as a propaganda forum.

According to ASEAN officials, the Vietnamese used the first JIM meeting to shift public attention to the Khmer Rouge from Vietnam's occupation of Kampuchea.

The sources said there are also fears that JIM II could fail.

"The Vietnamese would not like an agreement between the Chinese and the Soviets to take place and would use every opportunity to block such agreement," one diplomatic source said.

The source did not say when the pullout would start but noted that China had said it wants the withdrawal deadline to be set sometime in the middle of next year.

Chinese Premier Li Peng told Indian Prime Minister Rajiv Gandhi in Beijing on Monday that Beijing would reduce its military aid to the Kampuchean resistance as Vietnam withdraws troops from Kampuchea.

"All military support from any country, including China, should stop if Vietnam draws back its army from Cambodia," Li Peng was quoted as telling reporters at the Great Hall of the People before hosting a dinner for Mr Gandhi.

"We will reduce military support to Kampuchea gradually, to let the world be at ease, while Vietnam is progressively drawing back its army from Cambodia," he said.

The sources said Li's comment indicates greater flexibility on China's part.

Japan

Agency Urges U.S. To Reduce Fiscal Deficit

OW2612083188 Tokyo KYODO in English 0802 GMT
26 Dec 88

[Text] Tokyo, Dec. 26 KYODO—The Japanese economy grew steadily thanks to domestic demand and showed signs of improved external imbalances in 1988, the Economic Planning Agency said in an annual report Monday.

The report painted a very bright picture of the economy next year, saying there are no factors blocking the way of domestic growth at present.

It said personal spending and private-sector capital investments are the two main factors behind the steadily advancing economy.

But the agency cited as factors needed to sustain Japan's smooth economic growth the proper implementation of fiscal and monetary policies, relaxation of government regulations, further opening of Japan's markets, policy coordination with major advanced nations and prevention of inflation.

It also warned against fears of inflation in the United States and urged the U.S. to reduce its fiscal deficit.

The report described the current capital investments as an "investment boom," creating a chain of favorable reactions such as increases in employment, income and personal spending.

It denied there is any concern about overproduction in Japan in view of lower capital productivity and increased investments in research and development sectors.

Takeshita Expects Gorbachev To Visit in 1989

OW2612052688 Tokyo KYODO in English 0453 GMT
26 Dec 88

[Text] Tokyo, Dec. 26 KYODO—Prime Minister Noboru Takeshita said Monday he expects Soviet leader Mikhail Gorbachev to visit Japan some time during 1989.

The prime minister said Gorbachev's visit will be a good occasion to pave the way for the two countries to settle a bilateral territorial dispute and to conclude a peace treaty.

Takeshita was speaking in an interview with reporters from his constituency to be aired in the new year.

During a visit to Japan on December 18-21, Soviet Foreign Minister Eduard Shevardnadze said Gorbachev has already placed a Japan visit on his political calendar. Shevardnadze, however, did not give a firm timetable for such a visit.

Nakasone, Kissinger To Meet Gorbachev in USSR

OW2612115888 Tokyo KYODO in English 1129 GMT
26 Dec 88

[Text] Tokyo, Dec. 26 KYODO—Former Japanese Prime Minister Yasuhiro Nakasone will visit the Soviet Union in January with former French President Valery Giscard d'Estaing and former U.S. Secretary of State Henry Kissinger, Nakasone's aides said Monday.

The three men will jointly meet Soviet leader Mikhail Gorbachev in the Kremlin on January 18, the aides said.

Nakasone plans to leave Tokyo on January 14 for a short visit to Paris, where he will meet Giscard and Kissinger before heading to Moscow. He will return to Tokyo on January 20, they said.

The former prime minister originally planned such a meeting with Gorbachev for November but postponed it due to Emperor Hirohito's illness.

In the meeting with Gorbachev, Nakasone will take up themes concerning the Asia-Pacific region and developing countries, Kissinger will lead talks on disarmament, peace and security affairs, and Giscard will broach issues faced by Europe, the Nakasone aides said.

Takeshita Holds First Session of New Cabinet

OW2712164988 Tokyo KYODO in English 1512 GMT
27 Dec 88

[Text] Tokyo, Dec. 27 KYODO—Prime Minister Noboru Takeshita, who reshuffled his cabinet on Tuesday evening, called its first session later and asked the new ministers to exert their utmost efforts to smoothly implement his sweeping tax reform approved by the Diet.

In a statement issued after the cabinet meeting, Takeshita said his new administration will hastily compile the next fiscal year's state budget so that the Diet at a regular session to be called Friday can act on it as quickly as possible.

The regular Diet session will immediately enter into a year-end and new year recess and start business later in January.

Takeshita said his government will try to turn Japan into a country open wider to the world and actively carry out his pet project of "furusato sosei"—hometown revitalization, a package of local development projects under the initiative of regional communities rather than the central government.

He expressed his firm determination to tackle "political reform seriously and patiently" by establishing ethics among politicians to regain public confidence in politics.

The reference to political ethics was an indication of Takeshita's concern over the widening Recruit Cosmos insider stock trading scandal involving a number of leading politicians, their aides, bureaucrats and business executives.

According to political sources, Takeshita at the cabinet session asked the new ministers to make their assets public in within one-month and won their approval.

Takeshita, who came to power in November last year, reshuffled his cabinet for the first time by replacing 15 of the 20 cabinet members.

The first reshuffled cabinet session at the prime minister's official residence was held immediately after an attestation ceremony in front of Crown Prince Akihito in the Imperial Palace.

The crown prince has taken over state duties on behalf of his ailing father, Emperor Hirohito, who has been bed-ridden with a serious illness since September 19.

Holds News Conference

*OW2812092188 Tokyo KYODO in English 0854 GMT
28 Dec 88*

[Text] Tokyo, Dec. 28 KYODO—Prime Minister Noboru Takeshita pledged Wednesday to make political reforms and his "furusato" (home) policy of revitalizing local areas top priorities of the newly formed cabinet.

Addressing his first press conference following Tuesday's cabinet reshuffle, Takeshita said revision of the election system is an "immediate concern."

The current distribution of electoral seats favors politicians from less populous rural constituencies, the traditional power base of the ruling Liberal Democratic Party, because proportionately fewer votes are needed in these areas to elect a representative to the Diet or parliament.

Takeshita also pledged to uncover political donation practices and to establish an experts committee to handle political ethics issues.

Asked how he intended to handle the Recruit-Cosmos stock scandal, Takeshita said he expects the Public Prosecutors Office to "respond appropriately."

He indicated the scandal would not dissolve the House of Representatives for a general election in the summer of 1989, when the House of Councillors election is scheduled to be held.

Aides and relatives of politicians, including Takeshita, profited from questionable stock transactions related to the scandal, which led to the resignation earlier this month of Finance Minister Kiichi Miyazawa.

Politicians who are known to have been involved in the affair were not appointed to the new cabinet.

Takeshita called on local governments to submit their own plans for investing the 100 million yen to be provided by the central government to each village, town and city next year. He said the plan was intended to contribute to decentralization of government functions.

Takeshita told reporters during the televised hour-long conference that "selecting the appropriate person for the appropriate position" was the guiding principle in appointing 15 new members to the 20-man cabinet.

It was his first reshuffle since becoming prime minister 14 months ago.

Continuity was also a consideration, he said, describing the cabinet as the "best cabinet" at the current time.

He said that Japan's position on agricultural liberalization would remain unchanged. Japan maintains a policy of self-sufficiency in rice, but will "actively" participate in multilateral talks on agricultural trade liberalization, he said.

Low Popularity Seen as Temporary

*OW2712094788 Tokyo KYODO in English 0906 GMT
27 Dec 88*

[Text] Tokyo, Dec. 27 KYODO—Prime Minister Noboru Takeshita is riding high on political successes 14 months after becoming premier, but is low in public popularity.

Fresh from the Christmas eve tax reform victory—the first time the Diet has succeeded in overhauling the tax system in 38 years—Takeshita and his newly appointed cabinet can expect little by way of a honeymoon before turning to pressing political reform issues.

Political ethics concerns have waxed hotter with the seemingly endless announcements of new revelations about the Recruit Cosmos stock scandal, which pollsters say has taken a toll on Takeshita's popularity, along with the controversial tax reform legislation.

The low ratings showing nonsupport from a majority for the first time are not, however, expected to inflict lasting political damage on Takeshita.

Analysts say his election to a second two-year term as party president—a post which carries the premiership, is almost assured following his tax reform success.

The 64-year-old leader selected a new cabinet mainly according to the traditional tenet of establishing a balance of power among the ruling Liberal Democratic Party's (LDP) four main factions.

He held on to four of his top cabinet members, and carefully avoided appointing figures tainted by the stock scandal, in which influential politicians, business leaders, bureaucrats and journalists have been associated with profit-making from stocks received prior to their open sale.

Among Takeshita's top priorities now are revising legislation to tighten controls on political fund-raising, and revamping the election system.

Takeshita has yet to spell out in detail how he will fulfill his political agenda.

Meanwhile: the 11-term lower house dietman from rural Shimane Prefecture on the Japan Sea will make a strong appeal to smalltown Japan with his new furusato or "hometown" revitalization plan, which in the next year will provide no-strings-attached gifts of 100 million yen to each of 3,245 local governments.

Takeshita is likely to lose some seats in the upper house election slated for next summer, but overall the former English teacher is expected to consolidate his power, political analysts say.

Unless, that is, investigations into the unpredictable Recruit Cosmos affair penetrate the core of the LDP.

So far aides and relatives of Takeshita, former Prime Minister Yasuhiro Nakasone, former Finance Minister Kiichi Miyazawa, LDP Policy Affairs Research Council Chairman Michio Watanabe among others have been implicated in the affair.

Takeshita may be able to distract attention from domestic issues in the event of an outstanding performance with U.S. President-Elect George Bush, who takes office in January, or by a meeting with Soviet leader Mikhail Gorbachev, says political scientist Prof. Takashi Inoguchi of Tokyo University.

Foreign Minister Sosuke Uno and Soviet Foreign Minister Eduard Shevardnadze recently opened the path to a summit during Shevardnadze's visit here last week.

New Parliamentary Vice Ministers Named

OW2812042788 Tokyo KYODO in English 0352 GMT 28 Dec 83

[Text] Tokyo, Dec. 28 KYODO—The following is a list of the new parliamentary vice ministers named by Prime Minister Noboru Takeshita on Wednesday:

(Position)	(Name)	(Age)	(Faction)
Justice	Masutaro Soeta	60	Abc
Foreign Affairs	Takamori Makino	62	Nakasone
Finance	Seiichi Ota	43	Miyazawa
Finance	Makoto Yoshimura	60	Abe
Education	Taro Aso	48	Miyazawa
Health and Welfare	Akira Momiyama	67	Miyazawa

On the economic front Takeshita can expect more pressure from the United States as it tries to put its own accounts in order under the new administration and Japan's recently rebounding trade surplus could also aggravate the situation.

"Takeshita may be on a temporary low, but by next summer he will be shining again," predicts Inoguchi.

Opposition Parties 'Cool' to Cabinet Shuffle

OW2712114288 Tokyo KYODO in English 1121 GMT 27 Dec 88

[Text] Tokyo, Dec. 27 KYODO—Opposition parties reacted coolly Tuesday to the new cabinet which they said Prime Minister Noboru Takeshita reorganized simply to rotate posts among factions within the governing Liberal Democratic Party (LDP).

Japan Socialist Party Secretary General Tsuruo Yamaguchi said Takeshita is on the verge of political collapse amid declining popular approval ratings as reported by the country's mass media.

The prime minister reshuffled the cabinet in a desperate attempt to recover public support, Yamaguchi said.

But Takeshita will be unable to meet popular expectations because he himself is involved in the six-month-long stock trading scandal, said the secretary general of the No. 1 opposition party.

Naohiko Okubo, secretary general of the No. 2 opposition party Komeito, also said Takeshita reorganized the cabinet in order only to rotate posts and maintain an inter-factional balance of power.

Democratic Socialist Party Secretary General Keigo Ouchi said the new cabinet is expected to be slow to respond to opposition demand for a thorough probe into the Recruit stock scandal involving a number of politicians, government officials and business executives.

Chief of the Japan Communist Party's Secretariat Mitsuhiro Kaneko said his party will continue to press the prime minister to step down from power or dissolve the House of Representatives for a general election.

(Position)	(Name)	(Age)	(Faction)
Agriculture, Forestry and Fisheries	Tatsuo Sasayama	47	Miyazawa
Agriculture, Forestry and Fisheries	Tsutomu Mizutani	62	Takeshita
International Trade and Industry	Mikio Okuda	60	Miyazawa
International Trade and Industry	Hiromitsu Deguchi	63	Miyazawa
Transport	Yoshiyuki Kamei	52	Nakasone
Posts and Telecommunications	Sadakazu Tanigaki	43	Miyazawa
Labor	Hiroshi Miyajima	61	Takeshita
Construction	Hiromu Nonaka	63	Takeshita
Home Affairs	Kuro Matsuda	66	Komoto
Cabinet Secretariat	Ichiro Ozawa	46	Takeshita
Management and Coordination	Takuji Kato	62	Abe
Hokkaido Development	Masami Kudo	63	Miyazawa
Defense	Wahei Enomoto	62	Takeshita
Economic Planning	Norio Imaeda	64	Takeshita
Science and Technology	Yoshio Yoshikawa	57	Nikaido
Environment	Ichiji Ishii	52	Komoto
Okinawa Development	Hiroko Terauchi	52	Nakasone
National Land	Shin Sakurai	55	Abe

New Executive Lineup for LDP Listed

OW2812054488 Tokyo KYODO in English 0450 GMT 28 Dec 88

[Text] Tokyo, Dec. 28 KYODO—Following is the new executive lineup of the Liberal Democratic Party:

(Position)	(Name)	(Age)	(Faction)	
President	Noboru Takeshita	64	Takeshita	(retained)
Secretary General	Shintaro Abe	64	Abe	(retained)
Chairman, Executive Council	Masayoshi Ito	75	Miyazawa	(retained)
Chairman, Policy Affairs Research Council	Michio Watanabe	65	Nakasone	(retained)
Chairman, General Assembly of LDP Members of the House of Councillors	Ichiro Yamanouchi	75	Miyazawa	(retained)
Acting Secretary General	Ryutaro Hashimoto	51	Takeshita	(retained)
Deputy	Kazuo Tanikawa	58	Komoto	(retained)
Secretary General	Keijiro Murata	64	Abe	(retained)
Secretary General	Takami Eto	63	Nakasone	(retained)
Secretary General	Hajime Ishii	54	Takeshita	(retained)
Secretary General	Okiharu Yasuoka	49	Nikaido	(retained)
Secretary General	Mitsuo Horiuchi	58	Miyazawa	(new)
Secretary General	Tomoyoshi Kamenaga	68	Miyazawa	(retained)
Secretary General	Shin Hasegawa	72	nonfaction	(retained)
Director General Election Bureau	Michihiko Kano	47	Abe	(retained)
Director General Personnel Bureau	Shuji Kita	63	Komoto	(new)
Director General Treasury Bureau	Fumitake Kishida	62	Miyazawa	(new)
Director General Research Bureau	Yasushi Nakamura	56	Nakasone	(new)
Director General International Bureau	Hiroshi Oki	61	Takeshita	(new)
Chairman, Finance Committee	Taro Nakayama	63	Abe	(new)
Chairman, National Organizational Committee	Shinjiro Yamamura	55	Takeshita	(new)
Chairman, Public Relations Committee	Fumio Abe	66	Miyazawa	(new)
Chairman, National Campaign Headquarters	Takeshi Noda	47	Nakasone	(new)
Chairman, Diet Affairs Committee	Kozo Watanabe	56	Takeshita	(retained)
Chairman, Joint Plenary Meeting of Party Members of Both Houses of the Diet	Mitsunori Ueki	61	Miyazawa	(retained)
Chairman, General Assembly of the LDP Members of the House of Representatives	Soichiro Ito	64	Komoto	(new)
Chairman, Party Ethics Committee	Tasaburo Kumagai	82	Abe	(retained)

Retained Foreign Minister Uno Profiled

*OW2712101788 Tokyo KYODO in English 0917 GMT
27 Dec 88*

[Text] Tokyo, Dec. 27 KYODO—Sosuke Uno, who retained the post of foreign minister in the cabinet reshuffle Tuesday, is known to be one of the most versatile men in the ruling Liberal Democratic Party.

When he became foreign minister in November last year, he pledged to promote "powerful diplomacy" and stressed Japan's need to play a role in the international community commensurate with its economic power.

Under the banner of "globalism" in Japan's foreign policies, Uno toured Southeast Asian countries, the United States, South Korea, China, Middle East Nations, Mexico and Pakistan.

Uno, 66, also represented Japan at such international conferences as the mid-term review of the Uruguay round of multilateral trade talks in Montreal and the ministerial meeting of the Organization for Economic Cooperation and Development in Paris.

In the field of Japan-U.S. relations, which he described as a cornerstone of Japan's diplomacy, he flew to Washington in early December and met new U.S. Government leaders, including President-Elect George Bush, and confirmed Japan's cooperation in settling problems between the two countries.

On Japan-Soviet ties, Uno had uncompromising discussions with his Soviet counterpart Eduard Shevardnadze in seeking the return of the Soviet-held islands off Hokkaido when the Soviet foreign minister visited Japan last week for the first time in almost three years.

Uno is likely to continue his efforts to maintain good relations with the U.S. and to make Japan further contribute to international society.

He will also try to improve bilateral relations between Tokyo and Moscow, often hampered by the territorial dispute.

Before assuming the portfolio of foreign minister, Uno served as director general of the Defense, Science and Technology, and Administrative management (now Management and Coordination) Agencies, minister of international trade and industry and the LDP's acting secretary general.

His achievements include signing a Japan-U.S. nuclear power cooperation pact during his 1976-77 tenure as science and technology agency chief under Prime Minister Takeo Fukuda, and easing trade frictions with the U.S. and the European Community as MITI minister under Prime Minister Yasuhiro Nakasone.

The eldest son of a sake producer in Shiga Prefecture, western Japan, Uno graduated from a local commercial high school but his schooling at Kobe Commercial College was interrupted by World War II.

Uno was a prisoner in a Siberian camp and wrote a book, "Damoi Tokyo," based on his experience which later became a movie. Uno is also well-known for writing "haiku" 17-syllable poems.

Born in 1922, Uno was first elected to the House of Representatives in 1960, and is now vying with Michio Watanabe, chairman of the LDP Policy Affairs Research Council, to eventually inherit the Nakasone faction.

Moscow TV Interviews Chief Cabinet Secretary

*OW2212145388 Moscow Television Service in Russian
1145 GMT 22 Dec 88*

[Interview with Chief Cabinet Secretary Keizo Obuchi by correspondent Vladimir Tsvetov; date not given—recorded]

[Text] [Tsvetov] Mr Obuchi, how would you appraise the results of the recent talks between the USSR minister of foreign affairs and the foreign minister of Japan?

[Obuchi in Japanese, fading into Russian translation] Before answering your question, I would like to, as a representative of Japan, express deep condolences over the tragedy which befell Armenia where the devastating earthquake took place. Now, back to your question. Two and a half years after his previous visit, Mr Shevardnadze visited us in Japan and we are most pleased with the successful conclusion of Japanese-Soviet talks. We praise highly the sincere and serious exchange of views on questions pertaining to the international situation and Japanese-Soviet relations. Unfortunately, a conclusive decision on the territorial question has not been reached and this question, in our opinion, serves as the main obstacle to the development of Japanese-Soviet relations. Nevertheless, thanks to these talks the dialogue between our countries will broaden and this is a source of satisfaction to us. We praise the results of the talks highly because they could become the first step toward the solution of the territorial question, followed by the signing of a peace treaty.

[Tsvetov] Mr Obuchi, as it is known, politics is the art of the possible. In your opinion, how did this art manifest itself at the recent talks?

[Obuchi] You made use of a rather interesting saying. The possibility of achieving firm relations between our countries on the basis of settlement of the territorial question and the signing of a peace treaty have been made possible by the 1956 joint declaration resuming diplomatic relations, and in the agreement between Prime Minister Tanaka and Brezhnev in 1973. But, unfortunately, these opportunities are not being utilized. If we speak of art, then either a stage or a canvas is

needed. Consequently, to turn Japanese-Soviet relations into a form of art, a stage is needed. We, in Japan, hope that with the new Soviet political thinking, it will be possible to build such a stage.

[Tsvetov] Comrade Gorbachev, in his speech at the United Nations, put forth a notable arms reduction plan and the Soviet Union unilaterally began to reduce its conventional arms and armed forces. How do you appraise this step taken by the Soviet Union?

[Obuchi] I have already given my appraisal of the speech made by General Secretary Gorbachev at the news conference. In principle, we quite welcome the Soviet measure of unilaterally reducing conventional arms and Armed Forces. We are paying great attention to the fulfillment of this Soviet intention. It is important for Japan to know whether the Soviet Armed Forces will in fact be reduced in the Far East.

[Tsvetov] The Soviet Union and Japan play a very important role in the international arena and international business. In your opinion, specifically in which areas of international politics could the Soviet Union and Japan cooperate?

[Obuchi] Japanese and Soviet positions coincide completely on questions of disarmament and peace. Japan has no nuclear weapons. Therefore we expect that countries possessing such weapons—particularly the USSR and the United States—will, adhere to the INF treaty, reach an agreement on a balanced reduction of strategic arms, and agree to a reduction of armed forces and weapons in Europe. As far as the Asia-Pacific region is concerned, before embarking on similar talks in this region, it is necessary to create a stable situation and develop mutual trust by first solving the problems of the Korean peninsula and Cambodia. Certainly by first resolving the northern territories question and the reduction—as I have already said—of Soviet Armed Forces in the Far East. This would direct Japanese-Soviet relations into the right channel and will lead to the signing of a peace treaty that is what the Japanese people sincerely wish for.

[Tsvetov] Mr Obuchi, as you no doubt know, the Soviet Union is presently creating joint enterprise zones. What prospects do you see for Japanese participation in these zones?

[Obuchi] Active discussions on possibilities of Japanese-Soviet joint enterprise pleases us a great deal. However, speaking candidly, China, our other neighbor, began this form of activity before you and unfortunately, one has to admit, that joint ventures between us are lagging. We think it is good that countries with different economies begin joint ventures. We intend to take an active part in the joint enterprise zones. At the same time we do have certain uneasy feelings regarding the difficulties involved in such joint ventures. But by gradually eliminating these difficulties good results will be achieved in time. At the risk of repeating myself: It is necessary to

take into consideration that the resolution of the territorial problem and the conclusion of a peace treaty would be a conducive backdrop for broad development of Japanese-Soviet trade and economic ties. It should be remembered that Japanese businessmen think first of all about the profitability of the business. Therefore it is important to make sure that legal guarantees exist to cover the activities of our businessmen.

[Tsvetov] What is your understanding of the term "new political thinking"?

[Obuchi] Gorbachev, together with Shevardnadze, has for more than 3 years been implementing this new diplomatic philosophy. Previously we considered Soviet foreign policy thinking to be dogmatic. Now we see that the new political thinking is exemplified by exceptional flexibility, and we expect that this will also be reflected in the Soviet policy in relation to Japan.

Foreign Minister Shevardnadze said that the Soviet Union intends to act on the sensitive areas of our relations by the healing methods of the new political thinking. We regard this statement in all seriousness and count on its practical resolution.

[Tsvetov] Presently the word "perestroika" is frequently used in Japan. What, in your opinion, are the prospects for restructuring in the Soviet Union?

[Obuchi] General Secretary Gorbachev called for the restructuring of the economy. He tied the successful achievement of it to glasnost and democratization in politics and society. "Perestroika" and "glasnost" have become very popular words in Japan and we are in agreement with the ideas that these words represent. New thinking is essential to social progress. We need it as well. Specifically, we are presently restructuring a number of government enterprises which are in urgent need of it.

I was present at the Foreign Minister Shevardnadze meeting with Japanese Prime Minister Takeshita. The head of our government said that Japan too is going through a restructuring of a sort. The fact that the Japanese economy has reached the present level is, precisely due to the restructuring of old management forms. Perhaps what I am about to say may sound immodest, but we would be pleased if our experience would be of some help to you.

The Japanese people are closely observing how the word "perestroika" is acquiring the form of realistic achievements and how the Soviet people, under the leadership of General Secretary Gorbachev, are struggling to achieve economic progress.

[Tsvetov] Thank you.

DPRK Urged To Adopt Open-Door Policy

OW2712134288 Tokyo KYODO in English 0947 GMT
27 Dec 88

[Text] Tokyo, Dec. 27 KYODO—North Korea is being pressured internationally to undertake domestic reforms and adopt a more open-door policy toward both its neighbor to the South and the rest of the world, a visiting Chinese professor said here Tuesday.

Wen Yuankai, a member of a brain trust on reform and professor at the University of Science and Technology of China, said North and South Korea are expected to move toward dialogue and reunification in line with the world trend away from military confrontation.

However, in order for North Korea to promote dialogue with newly industrializing South Korea, it must embark on reforms and open-door policies, Wen said in an interview with KYODO News Service in Tokyo.

China will continue to deepen its ties with South Korea mainly through economic activities, Wen said. He also said that China wants to play an active role in promoting talks between North and South Korea.

Toward that end, Wen said he would like to hold an academic conference in Beijing next year so that scholars from North and South Korea can engage in direct talks.

ROK's Kim Yong-sam to Visit Japan

OW2612104588 Tokyo KYODO in English 0943 GMT
26 Dec 88

[Text] Tokyo, Dec. 26 KYODO—South Korean opposition leader Kim Yong-sam will visit Japan January 11-14 for talks with officials of the Japan Socialist Party, the country's No. 1 opposition party, JSP officials said.

JSP's former chairman, Masashi Ishibashi, who visited Seoul last October, extended an invitation to Kim, president of the No. 2 opposition Reunification Democratic Party, the officials said.

Kim ran unsuccessfully in the 1987 South Korean presidential election. No Tae-u beat Kim and another opposition leader Kim Tae-chung to win the presidency.

After No took over power from Chon Tu-hwan in February in the first peaceful transition of power in that country, the Japan Socialist Party declared it would promote ties with South Korea.

Before that, the JSP had maintained close links only with North Korea.

Sumita on Price Hikes, Rules Out G-7 Meeting

OW2812104088 Tokyo KYODO in English 0810 GMT
28 Dec 88

[Text] Tokyo, Dec. 28 KYODO—Bank of Japan Governor Satoshi Sumita said Wednesday the new consumption tax will accelerate consumer price increases by more than 1 percent in Fiscal 1989 and pledged to monitor the domestic price situation closely.

He told reporters that the central bank will clamp down on wholesalers and retailers who might raise the prices of their commodities beyond the 3 percent margin of the new tax to be implemented next April 1.

Sumita said, "The Bank of Japan would not tolerate any price increases" which exceed the 3 percent margin provided for in the new tax legislation.

If price gouging stemming from the imposition of the new tax leads to a flare-up of inflation, it would "undercut public confidence" in government policies and be a "quite serious situation," he added.

The nation's top banker, underscoring the central bank's mission of ensuring price stability, said the bank will continue to monitor price fluctuations in 1,300 commodity items comprising the wholesale price index to assess the impact of the new tax on prices.

Sumita also said the new levy will push up domestic demand "a notch" as the new tax package calls for a net 2.6 trillion yen annual cut in combined corporate and income taxes which will more than offset the indirect tax.

He assured that the current price stability would not be easily disrupted.

Sumita ruled out the possibility of an early meeting of the Group of Seven (G-7) major industrialized democracies, contrary to speculation that the G-7 central bankers would assemble to foster currency stability after U.S. President-Elect George Bush takes office in January.

Sumita also said he sees no need to issue new large-denomination bank notes.

His comment came days after Finance Minister Tatsuo Murayama hinted that the government is considering the issuance of new bank notes with a 50,000-yen denomination.

Sumita said the issuance of such large-denomination bank notes might stir concern among the general public about a possible rekindling of inflation.

He said the issuance of such bank notes would give the impression to the public that the value of currencies has been lost.

Economy to Experience Growth in FY 1989
*OW2212151988 Tokyo KYODO in English 1217 GMT
21 Dec 88*

[Text] Tokyo, Dec. 21 KYODO—Robust capital spending and private consumption will go on propelling the Japanese economy and cause it to grow at an annual pace of 4.3 percent, after adjustment for inflation, in fiscal 1989 starting next April 1, Dai-Ichi Kangyo Bank said Thursday.

Japan's trade surplus will expand from 93.9 billion dollars in fiscal 1988 to 95.3 billion dollars in fiscal 1989, although the pace of corporate equipment investment and inventory buildup will see a limited slowdown in the latter half of fiscal 1989, the nation's top bank said.

Sumitomo Trust and Banking Co. came up with a more bullish forecast, saying that the Japanese economy will experience a real 5.1 percent expansion during the next fiscal year, even after adjustment for inflation.

The leading trust bank said the current high levels of capital spending will be sustained and a planned corporate tax reduction for the next fiscal year would help promote the current investment drive.

Dai-Ichi Kangyo's forecast was made on the assumption that the dollar will average 115 yen during the next fiscal year. Sumitomo assumed that the dollar's exchange value would stand at an average 120.80 yen.

Meanwhile, the Dai-Ichi Mutual Life Insurance Co. upheld the view of Dai-Ichi Kangyo, saying that the Japanese Economy will expand at an inflation-adjusted pace of 4.3 percent in fiscal 1989.

Private consumption will spearhead the economic growth and the economy will sustain its upward momentum in Fiscal 1989, although the speed of its expansion will slow down from the current estimate of 5.1 percent for fiscal 1988, the major life insurer said.

It said consumer prices will undergo an increase of 2.3 percent if the Diet approves the passage of a sweeping consumption tax, opening the way for the introduction of the revenue-boosting measure into the economy.

The package of six tax reform bills including the consumption tax are likely to be voted into law Friday following Thursday's ramming through of the package in a special tax committee in the house of Councillors.

*** Keeping Pace With NIES, ASEAN Countries**
41060020 Tokyo SENTAKU in Japanese Oct 88 p 3

[Interview with Minoru Kobayashi, chief of the Research Division, Industrial Bank of Japan, by Akio Iizuka; date and place not given]

[Text] [Iizuka] The rapid economic advance of the NIES [newly Industrialized economies] and ASEAN, that is East Asia, with Japan in the leadership position is remarkable, isn't it? It arouses concern from the perspective of world history.

Kobayashi: Through the development of ocean transportation techniques, the Pacific Ocean has become a trade passage instead of a trade barrier. This is one big factor. Also the region's exports to the United States have increased enormously. In 1970 Herman Kahn spoke about "the coming age of the Pacific rim." This prophecy has certainly come true. In the past few years Japan has also begun to accept products from Asia. Also, regional specialization has accelerated.

[Iizuka] How much growth do you expect in the East Asian region?

Kobayashi: In terms of cash reserves, the East Asian Region's contribution rate to the increase of the world's GNP has been less than 20 percent, but from now on it will grow at a rate of about 35-40 percent and will account for 20 percent of the world's GNP by the end of the century. It will then almost contend with the EC and North America so that there will be three big economic blocs. In particular, one has to pay attention to industrial production capacity, which is already about the same as the EC and the United States—the capacity for growth definitely exists.

[Iizuka] From the point of view of trading, Japan will benefit by having strong markets in its vicinity. Do you agree?

Kobayashi: Certainly Japan's location will be an advantage. Although in the past this has been a disadvantage, since we had to export to the United States and Europe.

[Iizuka] I want to ask you about the leadership of Japan. Can Japan continue as the engine that pulls the Asian group?

Kobayashi: One cannot be too optimistic. Even through predominance in the areas of finance and information, Japan cannot maintain top industrial productivity forever. Japan must collect more information and technology and build a system to the young powers of Asia. If Japan tries only to preserve its own position, it cannot become the leader.

[Iizuka] Please define Japan's task as the leader of East Asian countries.

Kobayashi: First, the most important thing is for Japan to open its market more and become an absorber of the region's products. Japan should assume the portion resulting from the decrease in exports to the United States. Second, Japan has to make an effort to transfer technology. Japan cannot become the leader of Asia if it hoards its technology.

Finally, Japan must invest its capital in a positive fashion. The problem is that there isn't the ability to manage credit in Japan as there used to be in the United States and England. If Japan does not develop a system that easily releases private capital, it will become a house of cards.

[Iizuka] By the way, Japan is not the only country interested in Asia. I am most concerned about how the United States will move.

Kobayashi: We would welcome the United States saying, "We will take care of Asia; Japan must be content with second place."

[Iizuka] What do you mean?

Kobayashi: From the standpoint of free trade we must do everything possible to prevent blocs of the world economy. If the United States and Europe decide that it will be a loss not to be involved in the Asian region, this will be a plus to all. After this happens, it will be a contest of wits, with many ways for Japan to win.

[Iizuka] The next large problem is with China. For Japan, the problem of Asia is mainly a problem of relations between Japan and China.

Kobayashi: That is exactly right. Even though Japan aspires to lead Asia, China will not easily allow this to happen, so that the focus will become a full-force struggle of wits between Japan and China. For that reason, I call the 11 countries of East Asia, including China, the "Western Pacific Region."

[Iizuka] What is the most important point?

Kobayashi: The southern half of East Asia is really controlled by Overseas Chinese. Even the Beijing government says that "If China is to modernize, we must have the cooperation of Overseas Chinese." Among Overseas Chinese, a group of people, many of whom are in Taiwan, hold friendly feelings toward Japan. Therefore it is important for Japan to establish genuinely good relations with Overseas Chinese through Taiwan.

The problem is how to do this.

Diet League for Asia-Pacific Region Formed
OW2212021388 Tokyo KYODO in English 0906 GMT 21 Dec 88

[Text] Tokyo, Dec. 21 KYODO—A parliamentarians league that will study Japan's economic and cultural cooperation with Asian and Pacific countries was inaugurated Wednesday by members of the ruling Liberal Democratic Party, LDP officials said.

Former Prime Minister Yasuhiro Nakasone was elected as chairman of the parliamentarians league for educational, cultural and economic cooperation in the Pacific. Takeo Fukuda and Zenko Suzuki, both former prime ministers, were elected as honorary president.

Nakasone told an inaugural ceremony at the LDP's headquarters that he hopes to expand the number of exchanges with Asian and the Pacific region because of its important role in the international community.

A total of 206 LDP Diet members, 150 from the lower house and 56 from the upper house, belong to the league, the officials said.

The organization is the first forum in Japan on economic and cultural cooperation with Asia and the Pacific and was proposed by Nakasone during a lecture in the United States in the spring.

The league will also discuss development of human resources and promote exchanges of parliamentarians in the region, the officials said.

Red Army Hijacker's Lawyers To Visit Pyongyang
OW2512133488 Tokyo KYODO in English 1301 GMT 25 Dec 88

[Text] Tokyo, Dec. 25 KYODO—Three Japanese lawyers of Yasuhiro Shibata, indicted for his involvement in the 1970 hijacking of a Japan Air Lines airliner, will visit Pyongyang early January to hear from seven other members of the Japanese Red Army group, informed sources said Sunday.

According to the sources close to both North Korea and Japan, the lawyers plan to see the seven men, including the leading member Takamaro Tamiya, 45, to collect information and testimonies on the incident in preparation for Shibata's first public trial here set for January 23.

Kazuomi Bundo and two other lawyers had contacted concerned Pyongyang parties via Japan Socialist Party connections in North Korea. The sources said it was unusual for North Korea to allow entry for such purposes to people from a nation with which it has no diplomatic relations.

Non-official contacts between the two countries were severed after Japan imposed sanctions against North Korea for allegedly downing a Korean air passenger liner in November 1987. Japan lifted the sanctions in September 1988.

Shibata, 35, was arrested in Japan in May, but all other members of the group remained in North Korea after hijacking a domestic JAL flight with 137 people aboard bound for Fukuoka and forcing it to land in Pyongyang on April 3, 1970.

Tamiya sent a note to a Japanese magazine in May saying that all remaining seven members wanted to return to Japan. One of the hijackers has already died in North Korea.

Tamiya said they wanted to reach an agreement with the Japanese Government that they be tried without detention when they come home.

The informed sources said the visit by the three lawyers could be a first step in bringing about the return of the seven men to Japan.

Government sources pointed out the possibility that North Korea may want to get rid of the group and that lawyers may try to find out the North Korean stance on sending the group back to Japan.

The three lawyers were invited by a lawyers' association in Pyongyang. They are scheduled to leave Japan on January 8, enter Pyongyang via Beijing, and stay there for three days, the sources said.

Agency Warns of Spreading Terrorism in 1989
OW2512120088 Tokyo KYODO in English 0804 GMT 25 Dec 88

[Text] Tokyo, Dec. 25 KYODO—Terrorism is expected to surge both in Japan and overseas next year, with trouble spots possibly spreading around the world, Japanese public security authorities warned Sunday.

The Public Security Investigation Agency also said in an analysis of terrorism that it expects international terrorism to become more violent and vicious as terrorists seek greater publicity through their actions for the causes which they espouse.

While terrorist activities have so far been concentrated in the Middle East, Central and South America and Europe, they are likely spread to Asia and Africa, the study said.

On the domestic front, the agency warned that radicals opposed to the expansion of Narita airport are likely to escalate their campaign next year as a long-delayed project to expand airport facilities there reaches a crucial stage.

The agency predicted possible bloodshed if authorities force the acquisition of land inside the area earmarked for the airport expansion project.

Radicals and farmers opposed to the expansion of Narita have built what they call "unity" huts on small pieces of land which the farmers have refused to sell to the government for the project.

In addition to Narita, the agency warned, radicals may also conduct violent campaigns against the emperor system and the new Kansai international airport project in Osaka.

Turning to the Japanese Red Army terrorist group, the agency said the group may stage violent incidents in a bid to rescue two of its members, Osamu Maruoka and Hiroshi Sensui, detained by police earlier this year.

On Japan's new rightists, the agency said it has learned of consolidation efforts within the rightist movement. It warned of stepped-up violence by rightists next year.

Mongolia

Namsray Receives DPRK Veterans Delegation
OW2812063088 Ulaanbaatar MONTSAME in Russian 1450 GMT 26 Dec 88

[Text] Ulaanbaatar, 26 Dec (MONTSAME)—T. Namsray, member of the Politburo and secretary of the MPRP Central Committee, today received a delegation, headed by Colonel General Kim Song-kuk, vice president of the Korean Committee of Veterans of the Anti-Imperialist Struggle. Friendly talks were held. The delegation is visiting here at the invitation of the Executive Committee of the Mongolian Veterans Union.

MONTSAME Comments on Gandhi's PRC Visit
OW2712005088 Ulaanbaatar MONTSAME in English 1700 GMT 26 Dec 88

[Text] Ulaanbaatar, December 26. (OANA-MONTSAME)—MONTSAME commentator D. Badzarban writes: "Visits and talks are state politics. That is why we pinned great hopes on the Chinese-Indian summit meeting that was held after a pause of 34 years".

One third of the entire mankind lives in China and India, these two giant Asian Powers. Therefore, much depends on what the relations will be between these two neighbouring countries and their contribution strengthening universal peace and security. This is the hopes have been justified.

First of all it should be noted that mutual understanding between China and India has deepened and is vividly proved by the agreements signed in Beijing on further developing Chinese-Indian economic, scientific, and technological cooperation and enhancing cultural ties.

During the talks special emphasis has been laid on the two countries' border dispute which the two sides expressed preparedness to solve not through the use of force, as it was in 1960, but through political settlement.

The general opinion here in Mongolia is that the most important result of the Chinese-Indian summit is that the two sides voiced their preparedness to strengthen peace in the Asian Continent.

The positive changes emerged in Soviet-Chinese and Soviet-Indian relations have found their reflection in the outcomes of the Chinese-Indian talks. Therefore, possibilities widen for the Soviet Union, China, and India to their efforts for promoting peace and social progress of nations, the commentary notes.

MPRP Delegation Leaves for Indian CP Congress
OW241205588 Ulaanbaatar International Service
in English 0910 GMT 22 Dec 88

[Text] The Mongolian delegation has left Ulaanbaatar for New Delhi to take part in the 13th Congress of the Indian Communist Party-Marxist.

The delegation is led by director of the Social Sciences Institute at the Mongolian People's Revolutionary Party Central Committee.

HODOLMOR Calls for Economizing Oil Products
OW2412014088 Ulaanbaatar International Service
in English 0910 GMT 21 Dec 88

[Text] The trade union newspaper HODOLMOR has taken up the question of rational utilization of oil products which are wholly imported. Between 1980 and 1987, the country imported from the Soviet Union 10,800 lorries, 4,400 cars, and 39,800 motorcycles, and during this period the need in liquid fuel grew by 1.6 million tonnes. As the demand for oil products grows, their foreign trade prices also shot up which placed additional burden of the country's economy. Hence, it is vital to reconsider the domestic wholesale and retail price of liquid fuel. Because of their low price, the consumers use them without discretion and in a wasteful manner, underlined the HODOLMOR.

North Korea

Daily Denounces South's 'Northern Policy'
SK2812050688 Pyongyang KCNA in English
0456 GMT 28 Dec 88

[Text] Pyongyang December 28 (KCNA)—NODONG SINMUN today carries a commentary denouncing the so-called "northern policy" being stepped up by the No Tae-u group at the instigation of the U.S. imperialists and the Japanese reactionaries.

Through the "northern policy", the South Korean puppets to begin with, aim to pass through the stage of exchange in sports and culture and economic interchange with socialist countries and then "establish even state relations" with them and thus smash the "socialist wall" which has blocked their "entry into the United Nations" and make a breakthrough for the creation of "two Koreas", the news analyst says, and continues:

The criminal aim and reactionary nature of the "northern policy" lie in that it is a policy for perpetuating the split of the nation to divide our country into "two Koreas" by providing a prerequisite to "cross recognition" and "entry into the United Nations" by means of having colonial South Korea recognised as an "independent state" and a treacherous policy to offer South Korea to the U.S. imperialists as a colony and military base for an indefinite period by freezing the division.

It is the aggressive plan of the U.S. imperialists to create "two Koreas" through the "northern policy" and thus shirk the responsibility for the division of Korea while keeping their military occupation of South Korea and political and military domination over there.

The reactionary nature of the "northern policy" on the lips of the No Tae-u group lies in that it is a product of the vicious North-South confrontation policy which serves the aggressive strategy of the U.S. imperialists to disorganise and disrupt socialist countries, smash them one by one and isolate our Republic internationally.

The No Tae-u group is not only acting as a guide in the execution of the U.S. imperialists' line of aggression and plunder, war and division against the Korean people and world's revolutionary people but also heinously scheming to sow the seeds of discord among socialist countries and us, secure "diplomatic supremacy" over us and isolate and weaken us.

Now the South Korean ruling quarters are leaving no stone unturned to have economic and cultural relations with socialist countries and, at the same time, politically approach them by stepping up the "northern policy". The Korean people will decisively smash the "two Koreas" policy of the splittists and achieve the independent and peaceful reunification of the country without fail.

Paper Urges Response to Single-Team Proposal
SK2712135488 Pyongyang Domestic Service in Korean
0007 GMT 23 Dec 88

[NODONG SINMUN 23 December commentary: "A Patriotic Proposal for Reconciliation and Unity"]

[Text] As has been reported, on 22 December the chairman of the the DPRK Olympic Committee sent a letter to the chairman of the South Korean Olympic Committee. In the letter, the chairman of our side's Olympic committee proposed that the North and the South participate in the 11th Asian Games, slated for September 1990, as a single team and expressed the hope that the North and the South form delegations composed of 5 delegates each, with the vice chairmen of the Olympic committees of both sides as heads of the delegations, to discuss this issue and that they hold talks in Panmunjom late in February 1989.

This is indeed a patriotic and nation-loving proposal to help achieve national reconciliation and unity and open the road to reunification by taking the first historic step toward linking the severed artery of the nation and toward realizing mutual collaboration and exchange, at least in the sports field. The issue of forming a single team of the North and the South is not one that has been proposed today for the first time. It has been our consistent stand.

In retrospect, for many years we have called for participating in international sports games, including the Olympic games, by forming a single team of the North and the South. And thanks to our sincere efforts, both sides sat face to face many times overseas and at Panmunjom, and sometimes some progress was made in the discussions of this issue. However, to our regret, talks between both sides have failed to bear due fruition and, as a result, the North and the South have continued for a long time the disgraceful situation of confrontation within the same nation by exchanging charges and countercharges between them in the international sports arena.

We can no longer continue such a heart-rending, tragic situation and should form a single team at any cost. If the North and the South form a single team and jointly participate in the 11th Asian Games, they will give fuller play to the resourcefulness and stamina of our nation, strengthen ties between the sportsmen in the North and the South, and, furthermore, demonstrate our nation's will for reunification and greatly contribute to promoting national reconciliation and unity.

All the compatriots in the North, the South, and overseas want to achieve national reconciliation, unity, and reunification and unanimously demand that the North and the South participate in the upcoming Asian Games as a single team. The peace-loving people of the world also want this.

If the North and the South form a single team and participate in the Asian Games, this will undoubtedly be a great felicitous event for the entire nation and our friends around the world.

Forming a single team is not difficult because the persons in authority in South Korea are also speaking of collaboration and exchange. There is enough time for the North and the South to sit face to face and to consult and resolve the issue in good earnest. The internal and external situations have also provided a favorable condition for its settlement.

If the North and the South sit knee to knee, from the stand of unity and reunification, the formation of a single team of the North and the South will be successfully achieved and will give great joy to the entire nation. The South side should prudently accept our proposal for forming a single team of the North and the South and affirmatively respond to it.

Police Clash With Dissidents in South
SK2612044888 Pyongyang KCNA in English
0431 GMT 26 Dec 88

[Text] Pyongyang December 26 (KCNA)—Some 40 dissidents in South Chungchong Province were met with a group violence by some 20 officials of the prosecutors office and about 100 combat police when they called at the puppet Taejon district prosecutors' office on December 12

to present an "indictment" on the crimes of the traitors Chon Tu-hwan and No Tae-u, main culprits of the December 12 "Army purge coup", according to a report.

When the dissidents protested their refusal to receive the "indictment", they fired tear gas canisters at protesters and beat them with square clubs and fists at random and gave boot-kicking to them.

Not content with such violence, the bandits fired fire extinguishers at them and, worse still, drew the protesters who fell into a faint into corridors, beating them, and crammed them in a guard office and inflicted violence again upon them.

As a result, many dissidents were wounded heavily or lightly.

That day the bandits arrested 28 figures including Yi Chong-chu, chairwoman of the South Chungchong provincial council of the movement of families for democracy.

The above-said outrages fully show that the No Tae-u group is the same clan as the traitor Chon Tu-hwan and fascist maniac who surpassed him by far.

'Suppression' of Southern Press Denounced
SK2812102988 Pyongyang KCNA in English
1004 GMT 28 Dec 88

[Text] Pyongyang December 28 (KCNA)—The South Korean council of press and cultural movement in a protest statement expressed rage at the arrest by the No Tae-u military fascist clique of Kim Chong-su, a representative of the Hanul Publishing House, and others who published "Unfinished Diary of Homecoming", a travelogue on the northern half of the republic, written by a Korean pastor in the United States, according to the December issue of the South Korean magazine "WOLGAN HURUM".

Stressing that "to convey facts about the North to the people as they are is a correct attitude of the publishers, the statement defended the press activities of conscientious publishers. It noted:

"Confronting the prosecution's repressive confiscation and search of the publications related to the North, the unlawful arrest, detention and search of publishers by police, we cannot but doubt whether the No Tae-u 'regime' truly has the will of reunification, or not.

The statement said that the right of the people to know objective facts about the North must not be denied and demanded that the suppression of publication on the North be stopped at once.

It also demanded an immediate release of the arrested publishers, apology for the unlawful arrest, prompt return of the seized books and stop to the obstruction of business.

Magazine on South's 'Anti-Democratic Laws'
SK2812104088 Pyongyang KCNA in English
1020 GMT 28 Dec 88

[Text] Pyongyang December 28 (KCNA)—The joint measure committee for the abrogation of anti-democratic laws in South Korea called for repealing the anti-democratic laws and promoting independence, democracy and reunification.

The December issue of the South Korean magazine "WOLGAN HURUM" (MONTHLY CURRENT) carried the full text of a statement released by the organisation which was formed by over 20 dissident organisations in Seoul on November 12 for the elimination of the "legacies" of the "Fifth Republic".

It stressed that a struggle should be waged in unity for the repeal of all the anti-democratic laws instituted by the "Fifth Republic", a group of dictatorship and corruption, and the "legislative assembly for defence of the nation."

Recalling that the "Fifth Republic" had committed all manner of dastardly crimes, suppressing the entire people like slaves on the strength of all brands of evil laws for seven years, the statement noted:

The Chon Tu-hwan "regime" which was armed with the "Security Command," the "Security Planning Board", the military and violent police and was supported by the money of businesses and by the United States repressed and exploited the entire people with all kinds of anti-democratic laws.

The statement demanded that all the anti-democratic laws be abolished and the basic rights of the people be fully guaranteed.

At present, the No Tae-u "regime", while crying for breaking with the "Fifth Republic" and for democratisation, is maintaining the anti-democratic laws and detaining at random students and all strata of people who demand democratisation, the statement said, and contended: "Democratisation" only in words must be eradicated with the "irregularities of the Fifth Republic."

It also demanded a prompt revision of the "Status of Forces Agreement" which grants extraterritorial privileges to the U.S. troops occupying South Korea, the reexamination of the "mutual defence pact" between South Korea and the United States, the abolition of the "National Security Law," "the Public Security Law" and "Law on Assembly and Demonstration" and dismantlement of the "Security Planning Board" and the "Security Command".

It called upon the entire people to get the anti-democratic evil laws repealed and win national rights by a united struggle.

The joint measure committee for the abrogation of anti-democratic laws will extend warm support and unstinted assistance to the struggle of the people of all strata for democracy, declared the statement.

Defector Interviewed on Situation in South
SK2712041388 Pyongyang KCNA in English
0401 GMT 27 Dec 88

[Text] Pyongyang December 26 (KCNA)—The eyes of the post-war generation in the South are focused through the smokescreen of anti-communism on the North where the fatherly leader President Kim Il-song is administering affairs of state. No force can block this.

Young man Yi Tae-sik who came over to the northern half of the republic some time ago said this when he was interviewed by a reporter.

My heart swelled high to sympathize with the North whenever I heard people of the previous generation who experienced the war in South Korea calling the days when the affairs of state were administered by General Kim Il-song the "period of the People's Republic" with kind and solemn feelings and the father of my close friend unbosomed his longing for the "period of the People's Republic," saying that General Kim Il-song is the greatest man of character."

The greater the disillusion about the society of the South is increasing, the stronger the determination to "go to the North, go to the North under the rule of President Kim Il-song" grew to be my reason and will.

Such thought is common to all South Korean youths, the post-war generation who were disillusioned by the corrupt society in the colonial tundra. In particular, the fact that 700,000 Korean residents in Japan who are living in a capitalist environment are fighting, looking up to the fatherly leader President Kim Il-song and dear Mr. Kim Chong-il, made it an unshakable faith that the North represents a new world for the people.

At the moment I found myself in the embrace of the Republic I keenly felt that the anti-communist propaganda of the traitors in the South is a sheer lie to becloud the spirit of the new generation.

In the iron-like unity and cohesion of the people with respected President Kim Il-song, the fatherly leader, as a centre and in the united society of welfare for the people where the words "concern" and "worry" are not heard at all, I saw the looks of my genuine fatherland.

Former Prisoners in South Reveal Torture
SK2712043988 Pyongyang KCNA in English
0420 GMT 27 Dec 88

[Text] Pyongyang December 26 (KCNA)—Those who were released in the deceptive "amnesty" of the traitor No Tae-u after being kept in prison on charges of involvement

in the faked-up "case of the South Korean national liberation front" and "case of the anti-imperialist union" exposed the brutal tortures they had undergone at the Namyong-dong anti-communist section room of the puppet police headquarters, according to a report.

A certain O charged with involvement in the "case of the anti-imperialist union" said that he was put to unspeakably brutal tortures including five times of "chicken barbecue" torture, three times of joint-breaking torture and three times of pepper water torture in one month from the end of October 1986.

A certain Yi charged with involvement in the "case of the South Korean national liberation front" and a certain Pak charged with involvement in the "case of the anti-imperialist union" declared that they had also undergone such tortures repeatedly at the Namyong-dong anti-communist section room of the puppet police headquarters.

They stated that they would expose to the world the crimes of the fascist hangmen Chon Tu-hwan and No Tae-u by working out an indictment signed by all the victims in their joint name after collecting materials on tortures from fellow political prisoners.

The anti-communist section room of the puppet police headquarters in Namyong-dong, Yongsan District, Seoul, is a bloody butcher house which puts Hitler's Gestapo into the shade where guiltless people are murdered. Patriotic student Pak Chong-chol was murdered by water and electric tortures there in January last year.

Chongnyon Children Visit Soviet Embassy
SK2812044888 Pyongyang KCNA in English
0440 GMT 28 Dec 88

[Text] Tokyo December 26 (KNS-KCNA)—Children's union delegates of Korean schools under the General Association of Korean Residents in Japan (Chongnyon) called at the Soviet Embassy in Japan on December 23 in connection with the heavy losses in human lives caused by a strong earthquake in some areas in Armenia, the Soviet Union, and presented letters of sympathy and relief money for the pioneers in those areas.

An official of the Soviet Embassy accepted the sincere relief money and letters of sympathy of members of the Children's Union of Korean Schools under Chongnyon and expressed thanks for this.

Kim Yong-nam Holds Talks With Iran's Velayati
SK2812045288 Pyongyang KCNA in English
0442 GMT 28 Dec 88

[Text] Pyongyang December 28 (KCNA)—Talks between Vice-Premier and Foreign Minister Kim Yong-nam and Iranian Foreign Minister 'Ali Akbar Velayati were held in Tehran on December 26.

Present at the talks on the Korean side were the party of the DPRK foreign minister and the DPRK ambassador to Iran and on the opposite side were a vice-minister of foreign affairs, the director of the General Bureau for South Asia and Far East of the Foreign Ministry and an official concerned.

The talks took place in a friendly atmosphere.

Kim Il-song Congratulates Algeria's President
SK2412123688 Pyongyang KCNA in English
1055 GMT 24 Dec 88

[Text] Pyongyang December 24 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, sent a message of greetings on December 23 to Chadli Bendjedid, president of the Algerian National Liberation Front, upon his reelection as president of the Algerian Democratic and People's Republic.

The message says:

I, on behalf of the Government of the Democratic People's Republic of Korea and the Korean people and on my own behalf, extend warm felicitations to you upon your reelection as president of the Algerian Democratic and People's Republic.

I take this opportunity to heartily wish you new success in your responsible work for defending the gains of the revolution, strengthening the independence of the economy and bettering the wellbeing of the people to justify the unanimous trust and expectation of the Algerian people.

I am convinced that the friendly and cooperative relations existing between our two countries will grow stronger and develop.

Kim Il-song Receives New Cuban Envoy
SK2412111188 Pyongyang KCNA in English
1053 GMT 24 Dec 88

[Text] Pyongyang December 24 (KCNA)—Juan Jose Leon Vega, newly appointed Cuban ambassador to Korea, today presented his credentials to the great leader Comrade Kim Il-song, president of the Democratic People's Republic of Korea.

Present at the presentation ceremony were Vice-Premier and Foreign Minister Kim Yong-nam and officials of the Cuban Embassy here.

President Kim Il-song received the credentials and conversed with the ambassador.

Envoy Meets With Ho Tam

SK2712081288 *Pyongyang KCNA in English*
0801 GMT 27 Dec 88

[Text] Pyongyang December 27 (KCNA)—Ho Tam, secretary of the Central Committee of the Workers' Party of Korea, on December 26 met and conversed with Juan Jose Leon Vega, newly-appointed ambassador extraordinary and plenipotentiary of the Republic of Cuba to Korea, who paid a courtesy call on him.

Present there was Kim Hyong-u, vice-director of a department of the WPK Central Committee.

Converses With Pak Song-chol

SK2812044488 *Pyongyang KCNA in English*
0439 GMT 28 Dec 88

[Text] Pyongyang December 28 (KCNA)—Vice-President Pak Song-chol at the Mansudae Assembly Hall on December 27 met and conversed with Juan Jose Leon Vega, newly appointed ambassador e.p. of the Republic of Cuba to the DPRK, who paid a courtesy call on him.

Present there was Vice-Minister of Foreign Affairs Cha Pong-chu.

Plan for Cultural Exchange With Egypt Signed

SK2612051088 *Pyongyang KCNA in English*
0445 GMT 26 Dec 88

[Text] Pyongyang December 26 (KCNA)—The 1989-1990 plan for cultural exchange between the Governments of the Democratic People's Republic of Korea and the Arab Republic of Egypt was signed in Pyongyang on December 25.

Present at the signing ceremony on our side were Vice-Chairman Yi Song-ho of the Korean Committee for Cultural Relations With Foreign Countries and other officials concerned.

Present on the opposite side were members of the Egyptian Government cultural delegation headed by Mukhlis Muhammad Gu'bi and the Egyptian ambassador to Korea.

Ministry Marks Diplomatic Ties With Afghanistan

SK2412050288 *Pyongyang KCNA in English*
0449 GMT 24 Dec 88

[Text] Pyongyang December 24 (KCNA)—The Ministry of Foreign Affairs arranged a cocktail party at the Ongnyu Restaurant last evening on the occasion of the 15th anniversary of the establishment of diplomatic relations between the Democratic People's Republic of Korea and the Republic of Afghanistan.

Invited there were Afghan Ambassador to Korea Hashmatullah Kayhani and his embassy officials.

Cha Pong-chu, vice-minister of foreign affairs, and other officials concerned were present.

Toasts were exchanged at the cocktail party which took place in a friendly atmosphere.

Daily Notes Anniversary

SK2612111188 *Pyongyang KCNA in English*
1054 GMT 26 Dec 88

[Text] Pyongyang December 26 (KCNA)—NODONG SINMUN today observes the 15th anniversary of the establishment of diplomatic relations between Korea and Afghanistan.

In a signed article the paper says that over the past 15 years since the establishment of diplomatic relations, the friendship between Korea and Afghanistan has developed in conformity with the desires and interests of the two peoples in various domains such as politics, economy and culture.

Referring to the fact that the Afghan people are endeavouring to build a new life under the leadership of the People's Democratic Party, surmounting manifold difficulties cropping up in the way of progress, the paper says:

A series of changes are taking place in the situation of Afghanistan in recent period.

Efforts are being made to settle the Afghan problem through dialogue and negotiation in line with the international trend.

Under such situation, the People's Democratic Party of Afghanistan proclaimed in recent years the line of national reconciliation for peace and stability and is taking steps for their realisation.

The Korean people hope that the Afghan issue will be solved in a just way according to the will and wish of her people and they will make new success in their endeavours to implement the national democratic revolution.

The Korean people set store by the friendly and cooperative relations with the Afghan people and will make positive efforts to develop them.

The friendly and cooperative relations between the two peoples will further consolidate and develop in the idea of independence, peace and friendship.

Papers Observe Nepalese National Day

SK2812102388 *Pyongyang KCNA in English*
1000 GMT 28 Dec 88

[Text] Pyongyang December 28 (KCNA)—Papers here today observe the national day of the Nepalese people.

The Nepalese people overthrew the dictatorial regime of the Rana feudal family in February 1951 through a protracted struggle against the imperialist and colonial aggression and for defence of national independence and sovereignty, a signed article of NODONG SINMUN says, and goes on:

Today the Nepalese people under the leadership of respected His Majesty Birendra Bir Bikram Shah Dev, the king, are striving to build a peaceful, neutral and independent country.

The royal government set 7 goals to meet the basic demands of the people by the year 2000 and are struggling for their attainment.

It is pursuing the policy of non-alignment and developing the friendly and cooperative relations with the countries in the South Asian region. It also supports the struggle of the people for freedom and liberation.

Today the friendly and cooperative relations between Korea and Nepal are favourably developing in the interests of the two peoples with each passing day.

The recent visit to Korea by friendly envoys of the Nepalese people has been conducive to further developing and consolidating the Korean-Nepalese friendship.

The Korean people will in the future, too, positively strive to develop the friendly and cooperative relations with the Nepalese people in the idea of independence, peace and friendship.

A signed article of MINJU CHOSON notes that the Korean people wish the Nepalese people new success in their future work for the development and prosperity of the country.

Yi Chong-ok at Anniversary of Agricultural Academy
SK2612104588 Pyongyang KCNA in English
1022 GMT 26 Dec 88

[Text] Pyongyang December 26 (KCNA)—A meeting was held to mark the 40th anniversary of the foundation of the Academy of Agricultural Science, all-round research centre of chuche-based agricultural sciences.

At the meeting a congratulatory message of the Central Committee of the Workers' Party of Korea to the scientists, technicians, workers and office employees of the academy was read out by Yi Chong-ok, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and vice-president. The message says: The Academy of Agricultural Science has solved scientific and technical problems arising in industrializing and modernizing agriculture, developing the collectivist method of management and applying the chuche method of farming along the road indicated by "theses on the socialist rural question in our country".

The message continues:

The scientists and technicians of the academy have produced many species of crops including rice and maize and the first filial generation in conformity with the specific characteristics of areas by accelerating the green revolution and effected great innovations in raising the per-unit yield of crops to an advanced level by improving distribution of crops and method of cultivation on the principles of the right crop in the right time and the right crop on right soil. And they have obtained new species and breeds of domestic animals, fruits and silkworms with good quality and high productivity and greatly contributed to the stock-breeding, fruit farming and sericulture by conducting researches into scientific and technical problems arising in its management and introducing them to production.

The scientists and technicians of the academy have made powerful scientific researches for the technological revolution in the countryside to invent and manufacture various efficient farm machines suited to our conditions including rice-transplanting machines and produce huk-bosan fertilizer and highly efficient chemicals, making great achievements in the comprehensive mechanisation and chemicalisation of agriculture and a great advance in solving scientific and technological matters arising in farming in the reclaimed tideland.

The congratulatory message highly estimated the scientists, technicians, workers and office employees of the Academy of Agricultural Sciences for their great achievements in increasing agricultural production and in modernizing and scientizing agriculture over the past 40 years.

President of the Academy of Agricultural Science Yi Yong-kyun delivered a report at the meeting.

He said that the great leader President Kim Il-song founded the Academy of Agricultural Science, called at many research institutions of agricultural science in different parts of the country one hundred and more times and indicated the orientation and ways of researches in agricultural science.

Dear Comrade Kim Chong-il showed all solicitude for successful researches in agricultural science, indicated orientation and ways to carry on researches on the basis of modern sciences and technologies and has energetically directed the struggle for their realisation.

NODONG SINMUN Discusses Kim Chong-il Work
SK2412112688 Pyongyang KCNA in English
1100 GMT 24 Dec 88

[Text] Pyongyang December 24 (KCNA)—NODONG SINMUN December 23 prints a signed article headlined "Chuche-Based Exposition of the Cause of the Incipience of the Revolutionary Movement."

The article says:

In his work "Let Us March Forward Dynamically Along the Road of Socialism and Communism Under the Unfurled Banner of the Anti-Imperialist Struggle," dear Comrade Kim Chong-il, basing himself on a scientific analysis of the present situation of the development of the revolutionary movement in our time, gave a more profound exposition of the cause of the incipience of the revolutionary movement. This is a great contribution to developing and enriching the revolutionary theory of the working class and vigorously rousing people aspiring after chajusong to a revolutionary struggle.

Dear Comrade Kim Chong-il has taught:

"We should not say that a man is impelled to revolution only by hunger and poverty. An independent man's basic desire is to be the master of his own destiny, the master of the state and society. As the leader has said, there will always be resistance where Chajusong is trampled upon, and a revolutionary struggle where there is resistance."

To give a correct answer to the problem as for how the revolutionary movement is started and waged is an important problem in helping people to have a scientific knowledge of the law of the revolutionary struggle and dynamically rousing them to a revolutionary struggle.

In the work Comrade Kim Chong-il said that the revolutionary movement is caused by the violation of the Chajusong of the popular masses.

The great leader Comrade Kim Il-song said long ago that there would always be resistance where Chajusong is trampled upon, and a revolutionary struggle where there is resistance. His teachings are a classical formulation that integrates correlation between the revolutionary movement and people and the law of the origination of the revolutionary movement.

Comrade Kim Chong-il, who is carrying forward such idea of Comrade Kim Il-song, evolved in a comprehensive way the law of the occurrence of the revolutionary movement in correlations with the Chajusong of people and on the basis of the practical experience of the revolutionary movement in our time. The chuche-based clarification that revolution is caused by the infringement upon and violation of the Chajusong of people is the most scientific and profound exposition of the law of the start of the revolutionary movement.

Comrade Kim Chong-il in the work also gave a profound exposition that only when the working masses of people are awakened on a class basis, not spontaneously, can they take part in the revolutionary movement.

The revolutionary movement is launched, developed and victoriously advanced only after the party is founded by the leader of the working class and the subjective forces of the revolution are firmly ensured with the awakened and organised masses. Accordingly, if one is to have a scientific understanding of the cause of

the revolutionary movement, one should consider the social phenomena with the Chajusong of people as a kernel and, at the same time, deeply understand it by connecting it with the principles of awakening and organising the masses under the guidance of the party and the leader. In other words, the rare intelligence of our party and the sagacity of its scientific penetration find themselves in the comprehensive exposition of the law of the incipience of the revolutionary movement.

The article says:

The significance of the work in deepgoing elucidation of the law of the origination of the revolutionary movement lies in further developing and deepening the revolutionary theory of the working class and powerfully arousing people to a revolutionary struggle.

Papers Mark Anniversary of Socialist Constitution
SK2712085088 *Pyongyang KCNA in English*
0822 GMT 27 Dec 88

[Text] Pyongyang December 27 (KCNA)—Papers here today dedicate editorials to the 16th anniversary of the proclamation of "socialist Constitution of the Democratic People's Republic of Korea" by the great leader Comrade Kim Il-song, to the Socialist Constitution Day.

Pointing out that the drafting and proclamation of the socialist Constitution of the DPRK by the great leader Comrade Kim Il-song was a historical event of enormous significance in strengthening the socio-political life of the Korean people and powerfully accelerating the revolutionary cause of chuche, NODONG SINMUN says:

The socialist Constitution is a political charter of chuche which codifies the great victory and achievements made by the Korean people in the revolution and construction and lays down all the principles of the state and social life and important tasks arising in the accomplishment of the cause of socialism and communism.

With the institution of this Constitution, the Korean people came to be substantially guaranteed genuine democratic freedom and rights and to possess a mighty lawful weapon to defend the socialist system and successfully build socialism and communism.

Comrade Kim Il-song saw to it that excellent laws and regulations including the Law on Public Health were enacted on the basis of the socialist Constitution. In his historical report to the celebration meeting of the 40th anniversary of the founding of the DPRK this year, he indicated a valuable guideline to increase the obedience to socialist laws, attaching great importance to the role of the socialist law.

Dear Comrade Kim Chong-il who is putting the church-oriented idea of law into a brilliant reality published programmatic works including "On Increasing Obedience to Socialist Laws" to develop and enrich the church-oriented idea of law and gave an energetic guidance in the work of thoroughly establishing the revolutionary law-abiding habit throughout society.

All the laws and regulations including the socialist Constitution have been creditably embodied in the past under the wise leadership of the party and the leader, with the result that better revolutionary system and order have been established in the whole society, great changes taken place in all realms of the state and social life and the political and economic potential of the country been strengthened with the powerful progress of the three revolutions.

To establish a strict obedience to laws in the whole society is a sure guarantee for giving full rein to the superiority of the socialist system of our country.

A true road of further increasing the advantages and attraction of the socialist system of our country lies in guiding the entire people to abide by laws better so that the collective and organisational action of the people can be ensured and the social order be maintained in a more orderly manner.

Finnish World Youth Festival Group Arrives
SK2412045488 Pyongyang KCNA in English
0445 GMT 24 Dec 88

[Text] Pyongyang December 24 (KCNA)—A delegation of the Finnish national preparatory committee of the 13th World Festival of Youth and Students led by its president Matti Tukiainen arrived in Pyongyang Friday.

It was met at the airport by Yu Kwan-chin, vice-chairman of the Central Committee of the League of Socialist Working Youth of Korea.

Festival Committee Meets Foreign Press Officials
SK2712081588 Pyongyang KCNA in English
0803 GMT 27 Dec 88

[Text] Pyongyang December 27 (KCNA)—The Korean preparatory committee for the 13th World Festival of Youth and Students arranged a friendship gathering on December 26 with press officials of foreign embassies and correspondents of different countries in Pyongyang.

The attendants saw the DPRK documentary film "News of Festival Preparations" (the third meeting of the international preparatory committee for the 13th World Festival of Youth and Students).

Speeches were exchanged at a cocktail party which followed.

South Korea

No Speaks on Measures Against Violence
SK2812042388 Seoul Television Service in Korean
0100 GMT 28 Dec 88

[Statement by President No Tae-u to an expanded party-government joint meeting at Chongwadae—live]

[Text] The past year was a great turning point in which an era changed.

Amid a new era of democracy, we have made truly historic achievements including the successful hosting of the Seoul Olympics, the epochal implementation of the northward policy and the expansion of trade, which has now reached an annual volume of \$100 billion.

I think this is an outcome resulting from the united efforts of all the people and government officials. However, despite such achievements, our society is experiencing pains amid the trials of a transitional stage for democracy and amid political upheavals.

Illegal acts, phenomena of lawlessness and the eruption of excessive desires, which are taking place in the course of consolidating democracy, are not only threatening democracy but also endangering the free economic order.

Being unable to overlook such phenomena any longer, I direct special instructions to you, the persons concerned from the party and government with regard to the impending questions of the people's livelihood and public peace and order.

First, law and order should be thoroughly maintained. The phenomenon of violating laws seen recently is not only endangering democracy itself but has also reached the serious stage of imperiling social stability and national development.

Campuses and plants have been paralyzed, traffic congestion has been increased due to illegal street demonstrations, not only public buildings but also buildings of foreign missions which have extraterritoriality and even the sacred Assembly Hall have been occupied, and offices of political parties have been the target of firebomb attacks. This is indeed deplorable and painful. However, this has become an everyday occurrence.

In particular, the throwing of firebombs and homemade explosives has reached a serious stage. Another threat to our society is the various crimes against social peace and order. That women and children cannot freely walk on the street and our homes are not safe from the threat of burglars and thieves is indeed serious.

In particular, such brutal criminal acts as kidnapping innocent and good women and girls and manufacturing and selling narcotics are rampant. This is an act which should never be tolerated.

I strongly direct to the government to deal strictly with various brutal criminals and acts of violence and destruction according to the law and to maintain law and order so that the good citizens can live without anxiety.

In particular, I stress that the government must work out basic measures to eliminate and root out the crimes of trading in human lives and narcotics.

The easy-going attitude of some officials charged with executing the laws will not be tolerated no matter what the reason. I would like to make it clear that I will reprove government officials who execute the law in a negligent manner. Problems caused while executing the laws with firm conviction will be fully taken into account.

I want judicial steps to be worked out to control the manufacture, transportation, and use of firebombs.

Second, the establishment of a free economic order is urgently required. Democratization, which the majority of the ordinary people truly want, is not the act of unconditionally accepting irresponsible acts of dissolution or immoderate and unreasonable desires.

For the sound development of our economy, I would like to make clear what the government should carry out in each domain. The government should, above all, improve the environment so that businessmen can engage in economic activities without feeling any anxiety and it should clearly express the will to safeguard the free enterprise system.

For this, the government will abolish all informal taxes and boldly improve various unnecessary administrative restrictions and the system of licenses and authorization. The government will also encourage management and labor to resolve disputes within the framework of laws without fail so that no hindrance be caused to business activities.

Businessmen should strive to make a greater distribution of profits to the workers to expand support for the underprivileged class of society. Thus, they should strengthen their own measures to cope with the forces challenging capitalism.

Labor-management relations should be stabilized at an early date. The recent labor-management disputes are radical, violent disputes going beyond the framework of the law. Even some office employees and management personnel whose salaries are high and working conditions are good have put forth demands for excessive wage increases and other unreasonable demands. Some people hold that they should have their say in management and personnel administration. Accepting their demands would cause problems in the principle of equilibrium with the workers of production sectors whose situation is very difficult. Their act is indeed a worrisome one which shakes even the basis of the free economic system.

The government will continuously protect and support the legal and fair trade union movement in the future. However, the government will take stern judicial steps against collective acts of destruction and acts of evading the law.

In particular, the government will mobilize all possible means against law-evading disputes in public corporations managed by the government and will clearly show its will to safeguard the free economic order.

At the same time, we should no longer neglect collective violent demonstrations by groups pursuing their own interests.

Because there is an underprivileged class and there are backward sectors that have been produced as a result of rapid economic development, I assumed the elimination of imbalance as the top priority task in my term of office and decided to take all possible steps. To secure the funds required for this, I will begin the two-phase reform of the taxation system in the near future which is designed to have the relatively richer class bear a greater tax burden.

The acts of those who are attempting to attain the interests of their own group first of all through violent collective acts, ignoring the efforts of the government will be sternly dealt with to maintain law and order in a free market economy.

Maximum efforts should be made to stabilize the price of goods next year. This year the price of consumer goods is threatening the year-end limit of control. Thus, we are concerned with the possibility of demolishing the foundation of economic stability that has been attained with much difficulty and the self-sacrificing efforts of each individual in society.

The government should work out thoroughgoing measures to maintain a 5 percent increase in the price of consumer goods without fail by taking on the stability of prices as the greatest task in economic management.

Along with this, the measures to curb real-estate speculation that were announced last August should be continuously implemented so that real-estate speculation can be completely rooted out in this land.

Third, complete measures for resolving the controversial problem of high school students' entrance into colleges and universities should be rapidly established at an early date. Every year, more than 800,000 students and their families have to undergo hardship when preparing for the entrance examinations. More than three-fourths fail in the examinations every year and have to endure deep disappointment. Those students who have been unable to go on to universities because of their financial difficulties also experience deep frustration. With such a

situation, the controversial problem of students' university entrance examinations is a very serious social problem that should be settled at an early date. To solve such a problem, it is imperative to establish historic measures so that these students can get a college degree by studying on their own and to refer them to the advisory committee for education policy, which will be inaugurated early next year under the direct control of the president, for discussions. Thus, the epochal measures should be implemented at an early date for these students.

We have great potential and great dignity as the people who hosted the successful Olympiad, an unprecedented one in the history of the Olympics. Precisely herein lies the source of our glory and upsurge. It is precisely the responsibility and task of all of our people to concentrate such strength on developing the country into a higher stage.

To simultaneously achieve democratization and economic prosperity, the historic task of our times, and, thus, to open a great era of the ordinary people, we should firmly deepen the foundation of the people's livelihood and public peace and order.

I want the cabinet and the DJP alike to establish detailed implementation measures on the instructions that I have issued here and to strongly push ahead with them.

Plans To Outline State Affairs

SK2712012488 Seoul THE KOREA TIMES in English
27 Dec 88 p 2

[Text] President No Tae-u plans to hold a news conference around Jan. 15 to announce the outline of overall state affairs during the second year of his government, a presidential aide said yesterday.

He is expected to present blueprints for his northern policy directed toward North Korea, the Soviet Union, China and East European countries, and declare the government's pursuit for genuine democracy.

No will also bare the method of his "interim assessment" which he promised during the last presidential election.

Choe Chang-yun, senior presidential secretary for political affairs, said yesterday, "As the President will not deliver a New Year address before the National Assembly next year, he will make comments on overall affairs of the nation in the press meeting."

Meanwhile, President No yesterday assured cultural and artistic figures that he will keep his election promise of installing a "culture ministry" to grant more governmental supports for their activities.

He made the remarks during a luncheon meeting with 167 prominent people from the culture and artistic circles at Chongwadae.

No promised that the government will help increase supporting funds for creative artistic activities through allotting some of the surplus income of the Seoul Olympics.

He added that the government will lend increased supports for the promotion of cultural and artistic activities in provincial areas.

South Proposes Premier-Level Talks With North

SK2812074688 Seoul Domestic Service in Korean
0600 GMT 28 Dec 88

[Text] The government today proposed to the North Korean side to hold talks between high-level persons in authority from the North and the South, with the prime ministers as heads of the delegations, to discuss the issues of North-South exchange and cooperation, ways of resolving the military issues, and holding North-South summit talks. At the same time, the government proposed holding vice minister-level preliminary talks in Panmunjom early next February to discuss procedures for the talks.

In a letter to Yon Hyong-muk, premier of the North Korean State Administration Council, which was delivered through Panmunjom at 1400 today, Prime Minister Kang Yong-hun stressed that to eliminate distrust and to restore confidence between the North and the South, the two sides should, first of all, recognize each other's ideology and system and hold a dialogue on the basis of mutual respect and nonintervention. He proposed that talks be held between the high-level persons in authority of the North and the South to comprehensively discuss the problem of establishing trust between the North and the South and alleviating the tension between them.

Prime minister Kang Yong-hun proposed that talks between the high-level persons in authority of the North and the South be held in Seoul and Pyongyang alternately, with seven delegates from each side and the prime ministers of both sides as heads of these delegations, and that the issues of suspending mutual slander, defamation, intervention; conducting multilateral exchange and cooperation; establishing military trust; and holding North-South summit talks be adopted as agenda items.

Prime Minister Kang Yong-hun also said that if talks between the high-level persons in authority of the North and the South are held, other effective and practical policies that the North Korean side proposes can also be discussed in the talks. He proposed that a 5-man delegation from each side, with vice ministers as heads of the delegations, be formed and that preliminary talks be held early next February in the Peace House, located in our side's area in Panmunjom, to discuss procedural issues.

In the letter, Prime Minister Kang also proposed that the sixth North-South economic talks, which have been suspended, be resumed late next February at the latest and that the 11th North-South Red Cross talks, which have also been suspended, be resumed late next March.

Further on Kang's Proposal

SK2812080188 Seoul YONHAP in English
0744 GMT 28 Dec 88

[By Hong Sang-pyo]

[Text] Seoul, Dec. 28 (YONHAP)—South Korea proposed on Wednesday prime minister-level talks between Seoul and Pyongyang to discuss inter-Korean issues.

The government also proposed that a five-member delegation from each side, headed by a vice minister-level official, hold a preparatory meeting next February at the truce village of Panmunjom to discuss procedures for the premier-level talks.

The proposal was contained in a letter by Prime Minister Kang Yong-hun to his North Korean counterpart Yon Hyong-muk Wednesday afternoon. The letter was delivered to a North Korean liaison official at the border village in the demilitarized zone that separates the two Koreas.

Kang's letter was in response to a North Korean proposal on Nov. 16 that high-level political and military talks be held to discuss inter-Korean exchanges in various fields and military issues including the suspension of South Korea-U.S. military exercises.

Kang said the high-level meeting will be held in Seoul or Pyongyang, alternately, involving seven-member delegations from each side.

Kang also called for resumption of the suspended inter-Korean economic talks in February and Red Cross talks in March.

"Fully taking into consideration your proposal (on Nov. 16) and looking forward to opening a new horizon for the national reunification, I propose high-level talks between the South and North Korean authorities to discuss ways to build mutual trust and reduce tension between South and North Korea," the prime minister said.

Kang said the prime minister talks would take up such major issues as mutual respect and non-interference in each other's affairs, a halt to mutually slanderous activities, the promotion of exchanges and cooperation in various fields, establishment of mutual trust in the military sector and arranging South-North Korean summit talks.

The prime minister said that if the high-level talks are realized, the South and the North could also discuss various matters which could help ease tension on the divided Korean peninsula.

"In line with the efforts to hold such a high-level meeting, I hope the sixth inter-Korean economic talks and the 11th Red Cross talks will be resumed in late February and late March, respectively, at the latest," Kang said in his letter.

"To restore mutual trust and reduce tension between South and North Korea, the separated family members between the South and the North should be able to visit, without any restrictions, the other side of the divided peninsula while exchanges in economy should be vigorously promoted," Kang said. "These are the national aspirations and the requests of the times," Kang said.

Kang said that if the high-level talks, dialogues and mutual exchanges in various sectors are realized, they could be a basis for both the South and the North to create a single national community.

On Nov. 16, then North Korean Prime Minister Yi Kun-mo proposed in a letter to his southern counterpart that political and military talks between the two Koreas be held to discuss a possible halt to mutually slanderous activities, the promotion of mutual exchanges in various fields, the suspension of large-scale South Korea-U.S. military maneuvers, and the establishment of a peace zone in the demilitarized zone.

The North insisted that deputy prime ministers head the two delegations to the political and military meeting.

The Seoul government seemed to have accepted most of North Korea's demands for realization of the proposed political and military talks while counterproposing that the talks be upgraded to a premier-level meeting.

Analysts said South Korea's acceptance of the political and military talks is seen as a major policy shift considering that Seoul has said South-North Korean summitry is the best way for inter-Korean dialogue to attain reunification of the divided peninsula.

President No Tae-u, who has taken bold action for improved inter-Korean relations, has said that he is willing to meet with his North Korean counterpart Kim Il-sung to discuss broad inter-Korean issues and hinted that he would show flexibility for the realization of Seoul-Pyongyang summitry.

The South Korean Government hopes that the high-level talks will lead to summit talks between Seoul and Pyongyang, the analysts said.

Editorial Views Talks Proposal

SK2512040288 Seoul THE KOREA TIMES in English
25 Dec 88 p 8

[Editorial: "Bid on Premiers' Talks"]

[Text] The government's decision to propose talks between South and North Korean premiers is a timely attempt to expedite an improvement in relations. In preparation for the premiers' talks, the government will shortly propose to North Korea a meeting of vice ministers next month.

The government decision is believed to be a response to the Pyongyang overture a month ago that vice premiers from the two sides hold talks on political and military affairs. The North Korean letter was earlier conveyed to Prime Minister Kang Yong-hun from former North Korean premier Yi Kun-mo.

The Seoul government's revised overture is apparently based on the fact that the South's vice premier is solely responsible for economic matters and therefore is not in a position to discuss political and military matters. Another conceivable reason is that there are several premiers in the North, meaning the rank is not actually the second highest post in the Cabinet.

In this respect, the Seoul proposal is appropriate. The government has repeatedly urged the North to accept an inter-Korean summit meeting to discuss overall matters of mutual interest. But the Pyongyang authorities rejected them, saying that the proposed summitry was possible only when other lower-level talks made progress. This concurs with President No Tae-u's earlier statement that any problems including political and military affairs could be discussed at the South-North summit.

If the proposed premiers' talks make headway, the two Koreas may hopefully pave the way for the opening of the top-level talks. And if the summit talks are ever held, the multi-tier talks now under way or being planned will be further accelerated toward substantial agreements. Then we will see a drastic thaw in the icy inter-Korean relations. We hope that the North Korean leaders accept the premiers' talks without reservation.

Kim Tae-chung Urges Military Talks With North
SK2512022288 Seoul THE KOREA TIMES in English
25 Dec 88 p 2

[Text] Kim Tae-chung yesterday called on the government to open dialogue with Pyongyang on political and military matters.

The president of the Party for Peace and Democracy said that he had already advised government policy makers of opening dialogue with the North, for a frank discussion of political and military matters. Kim hinted that the government seems to be formulating very realistic policies for the preparation of the Seoul-Pyongyang military talks.

Kim viewed that through the military talks, Seoul can convey its apprehensiveness over an attack by the North, indicating that if Pyongyang guarantees it will not attack the South, the military talks will result in tangible results.

The PPD president said it was 'shocking news' that the North had invited leading businessmen, but added that the people were not shocked by the news. The people's attitude in the South illustrates that they are capable of absorbing such shocks, he added.

North, South Parliamentarians Scheduled To Meet
SK2812005088 Seoul THE KOREA TIMES in English
28 Dec 88 p 2

[Text] Seoul has high hopes that delegates from Seoul and Pyongyang will be able to reach a compromise in their preparatory contact tomorrow for the early realization of the full-dress inter-Korean parliamentary conference.

South and North Korean delegates to the preliminary meeting will get together for the seventh time tomorrow at the Tongilgak pavilion, on the northern side of the truce village of Panmunjom.

The four-member delegates, headed by newly-appointed chief Chae Mun-sik, held a strategy meeting with Unification Minister Yi Hong-ku yesterday and decided to take a "flexible and accommodative" stance in negotiating with their northern counterparts.

"We will put forward a reasonable counterproposal and the recent indications lead us to believe that the North will also make some concession to push ahead with the main meeting," a parliamentary source indicated.

The two sides have yet to hammer out the method of the decision-making, the agenda and title of the full-dress inter-Korean parliamentary meeting.

Seoul proposed that the main meeting should be operated by a delegation-to-delegation conference whereby any decision will be hammered out through a consensus.

Pyongyang wants a joint conference whereby each delegate will be given the right to speak and to cast votes and the final agreement should be made on the basis of majority rule.

Seoul worries that the accommodation of the northern demand will result in each North Korean delegate using the main meeting as an occasion to promote its propaganda on sensitive matters such as the withdrawal of U.S. forces and all nuclear weapons on the Korean Peninsula.

Another point of sharp difference between the two sides is whether the South-North summit talk should be included on the agenda that will be tabled in the full conference. Seoul demanded to include the subject as one of the three agenda items for the inter-Korean parliamentary talks but Pyongyang declined it.

The North insisted that the question of the withdrawal of foreign troops from south Korea must be included in the agenda as a priority item. Seoul suspects the North will focus on military matter involving the question of a declaration of non-aggression in its efforts to promote political propaganda.

Seoul wants to discuss the question of non-aggression but Pyongyang called for an instant declaration of non-aggression in the meeting of lawmakers. The South believes that the National Assembly is not equipped with legal powers to make a declaration and that the parliamentarians' meeting can just recommend that leaders of the two sides make a joint declaration in their summit meeting.

The South suspects that the North may call for the withdrawal of foreign troops and nuclear weapons on the Korean Peninsula and reduction of the army as part of the joint declaration of non-aggression.

Experts and government officials believe that the two sides may tackle their differences and agree to form an ad-hoc committee for the realization of the full-dress conference, that may be held hopefully before April.

If they fail to clear away the three points of differences, the two sides might try one more preparatory talk next month for reaching a final agreement to hold the full-dress conference.

Assembly Source Comments on Talks
SK2812050988 Seoul YONHAP in English
0456 GMT 28 Dec 88

[Text] Seoul, Dec. 28 (YONHAP)—South and North Korean delegates to the preliminary contacts on a full-dress inter-Korean parliamentary conference will meet Thursday for the seventh time at the truce village of Panmunjom.

Five delegates from each side will seek to reach a compromise on three points in which the two sides have major differences in order to realize the joint parliamentary talks, a National Assembly source said Wednesday.

The South's five delegates, headed by newly appointed Chief Chae Mun-sik, in a meeting with National Unification Minister Yi Hong-ku Tuesday, decided to adopt an accommodative position on the North's proposal in order to achieve early realization of the proposed inter-Korean parliamentary conference.

"We will be flexible and accommodative on the North's stance, and expect that both sides will be able to agree on holding a main meeting next spring," the source said.

The two sides have yet to hammer out an agreement on the agenda and method for the proposed conference's decision-making.

Seoul proposed in the sixth preparatory contact on Nov. 17 that the main meeting should be conducted as a delegation-to-delegation conference and that any decision should be made through consensus.

Pyongyang favors a joint conference in which each delegate would have the right to address the gathering and vote while a final agreement would be made by majority rule.

Another sharp difference between the two sides concerns how to handle the non-aggression issue. Seoul favors discussing the matter while Pyongyang calls for a declaration of non-aggression at the main meeting of lawmakers.

The South has believed that the National Assembly lacks legal powers to make such a declaration and that the parliamentarians' meeting can only recommend that leaders of the two sides make a joint non-aggression declaration.

The two sides also differ on the issue of a South-North Korean summit. Seoul has demanded that the issue be included as an agenda item at the main parliamentary session while Pyongyang has declined.

At the previous contact, South and North Korean delegates agreed in principle that the opening ceremony of the proposed parliamentary conference be held in Pyongyang while the closing ceremony would be held in Seoul, with all members of the two sides' parliaments present at both ceremonies.

They also agreed to hold the main meetings alternately in Seoul and Pyongyang with 50 lawmakers on each side to participate.

Daily Assesses Signs of Change in North Korea
SK2812014088 Seoul THE KOREA HERALD
in English 28 Dec 88 pp 2, 3

[By staff writer Choe Chang-sok: "Signs of Change Looming in Regimented North Korea"]

[Text] Signs of change are looming in north Korea, heralding also a change in inter-Korean relations.

The latest signs of detente are that some reporters working for the U.S. offices of Seoul newspapers were allowed to visit Pyongyang with south Korean passports.

Another is the unconfirmed report that north Korea invited Chong Chu-yong, founder and honorary chairman of south Korea's leading business conglomerate Hyundai Group, to visit Pyongyang reportedly to negotiate possible joint ventures in Siberia and rehabilitation in the Middle East, following the end of the Iran-Iraq war.

Hyundai has denied the report, but judging from the current growing mood of East-West reconciliation in general and increasing contacts between Seoul and socialist countries in particular, the report is quite plausible.

The report said Pyongyang wishes Chong's visit be kept secret while Chong demanded it should be an open visit for his personal safety.

It is understandable that north Korea is demanding secrecy, for the visit of a leading south Korean businessman undermines a society built on the "superiority" of their socialist system over the south's capitalism.

Predicting that north Korea will prefer secret dealings for the time being, experts on north Korean affairs advised that economic contacts with the north should be conducted in a prudent manner, honoring Pyongyang's wishes.

Seoul's nonpolitical contacts with socialist countries have grown remarkably in recent years. Its trade with China is so brisk that the two-way volume totaled \$1.8 billion last year. This year's total is expected to reach at least \$2.5 billion.

The Soviet Union, which agreed with Seoul to open trade offices in each other's country early next year, has invited south Korea to participate in Siberian projects. Soviet cargo ships are currently at a Korean shipyard for maintenance while south Korean aircraft flew to Moscow with a shipment of relief goods for earthquake victims.

Such developments would have been unimaginable less than two years ago.

China's endeavor to achieve economic reforms through the help of capitalist countries and Moscow's increasing contacts with Seoul, coupled with a growing global mood of detente have forced the north Korean leadership to be pragmatic and review its own economic policies.

Pyongyang watchers also point out that north Korean premiers in recent years were economic specialists, including the incumbent Yon Hyong-muk and his predecessor Yi Kun-mo.

The visit to Pyongyang by reporters assigned to the U.S. branch offices gives an impression that the regimented society, which remained closed for four decades, may no longer be a hard nut to crack.

Previously, journalists from the south visited the north through Panmunjom to cover inter-Korean political and Red Cross talks held there. But freedom of their activities was strictly limited by "guides" who were assigned to each of the visitors from the south. The south Koreans saw what they were shown, visited where they were escorted and met a few select people.

But the reporters who visited Pyongyang from the United States were granted greater freedom in their activities, according to serialized stories now appearing in their Seoul newspapers.

According to the stories, monthly wages of north Koreans range from 80 won (US\$38) to 190 won while imported Sony color TV sets cost 1,500 won to 2,600 won, placing them out of the reach of most north Koreans.

However, north Koreans who have been cut off from the rest of the world, believe they live in a "paradise" under the "benevolence of great leader Kim Il-song." They also believe firmly that their foremost task is to "liberate our starving and ill-dressed south Korean brethren from American imperialists and live with them as happily as we are now."

A north Korean government official was quoted as saying, "Why do we need churches since we have already created a paradise on earth?"

It is obvious that north Korean leaders are concerned, however, over the need to give a shot to their sagging economy with foreign capital and technology without damaging the dogma of "chuche" or self-reliance.

They must also worry that once they have a foot in the door, south Korean industrial products will someday dominate their markets.

It seems that internal pressure is also considerable for the opening of north Korean society. Yi Chan-sam, the managing editor of the CHUNGANG ILBO's Chicago office, notes that a lieutenant colonel he met in a Pyongyang hotel complained that "young fellows who have not experienced the Korean War (1950-53) are foolishly demanding the openness. I'm really worried about our future."

Despite his worry, north Korea, as a member of the international community, will be forced to pursue pragmatism like its key allies China and the Soviet Union and seek coexistence with the capitalist south pending reunification.

The Pyongyang watchers meanwhile advise that the south should not emphasize the superiority of its capitalist system but maintain the spirit of true partnership once substantive business with north Korea gets started.

Red Cross Delivers North Invitation to Students

SK2812094888 Seoul YONHAP in English
0935 GMT 28 Dec 88

[Text] Seoul, Dec. 28 (YONHAP)—The South Korean National Red Cross (KNRC) delivered an invitation letter from North Korea's Preparatory Committee for the 13th World Youth and Student Festival to the acting president of the National Student Representative Council (NSRC) Chong Myong-su, an official said Wednesday.

The KNRC delivered the letter in accordance with the request of the North Korean National Red Cross, the official added.

The North Korean Preparatory Committee and North Korean Student Committee through the letter formally invited South Korean students to the festival slated to be held in Pyongyang July 1-8, next year.

The two North Korean committees also proposed that North-South student talks be held at Panmunjom in early March to discuss matters concerning South Korean students' participation in the festival.

The NSRC said that it would issue a statement later this month to express its willingness to accept the invitation. The council members said they would send a reply to the North through the good offices of the KNRC.

Seoul Television Shows Program on North Korea

SK2812005588 [Editorial Report] Seoul MBC Television Network in Korean at 1300 GMT on 26 December broadcasts a special program entitled "Winter of 1988—In the Land of North Korea" with host Yang Song-chol, professor of Kyonghui University, and guest John Pak, a Korean minister residing in Los Angeles. Pak recently visited North Korea along with four other people.

The program opens with a medium close-up shot of Prof Yang making an opening statement about the program. Next, John Pak explains how he was able to visit North Korea. Pak explains that of the five who traveled to North Korea three of them were naturalized American citizens but the other two were U.S. residents traveling with South Korean passports.

Shots of Pyongyang's Sunan Airport taken from inside a plane are then shown. This is followed by shots of Rev Pak and his group at the airport taking souvenir pictures, followed by wide shots of the streets of Pyongyang taken from a moving vehicle. The program then shows the group visiting Mangyongdae, the birthplace of Kim Il-song; Moranbong Stadium; and the Pyongyang Student and Youths Palace. Following a pan shot of Prof Yang and Rev Pak having a discussion on the visit, the program shows the group's visit to Wonsan City; Mt Kumgang; Pyongsong City; the Chongchon River; Mt Myohyang; Pohyon temple; the International Friendship Exhibition Hall, which houses the gifts presented to Kim Il-song by foreign dignitaries; Nampo City and the West Sea Barrage; and Pyongyang's Angol Sports Center.

A film clip is then shown of the group visiting Pongsu Church in Pyongyang. Following a wide shot of the church, the film shows pan shots of a North Korean minister delivering a sermon. The same shots show from 70 to 90 people in the church listening to the sermon. The film then shows pan shots of the people in the church singing "Nearer My God to Thee" in Korean; followed by side shots of two members of the visiting group, including Rev Pak, delivering a congratulatory speech to the congregation. Following a wide shot of the group taking a commemorative picture with the North Korean church congregation, the program ends with medium close-up shots of Prof Yang and Rev Pak making closing remarks.

Editorial Calls for Revision of Forces Agreement SK2712131488 Seoul HANGYORE SINMUN in Korean 22 Dec 88 P6

[Editorial: "The ROK-U.S. Status of Forces Agreement Should Be Revised to the Level of the Similar Ones in West Germany and Japan"]

[Text] The sovereignty of a country is directly expressed in its treaty or agreement with another country. There are many things that should be revised in the unequal treaties or agreements that South Korea has with other countries. One of them is the so-called ROK-U.S. Status of Forces Agreement, concluded according to Article 4 of the ROK-U.S. Mutual Defense Treaty.

Typical treaties on the status of foreign forces are the London Agreement, concluded among the NATO countries in 1951, and the treaties concluded by the United States with Japan and the Philippines. It has been proven through many instances that the ROK-U.S. Status of Forces Agreement is remarkably unequal, compared with these agreements. Why should such an agreement, which has been criticized, even to the extent that the status enjoyed by the U.S. forces in South Korea is contrary to the Constitution and domestic laws of the United States, be applied only to South Korea?

The ROK-U.S. Status of Forces Agreement involves an inherent problem in its form. In international law, a treaty comes into force only when its main text accords with its supplement and appendix. However, in the supplement of the Status of Forces Agreement, the South Korean side makes unilateral concessions in many parts. Consequently, even the text of the agreement—in which there are many unfair articles—has become ineffective.

Since the conclusion of the ROK-U.S. Status of Forces Agreement, the jurisdiction that the South Korean side has exercised has only been 0.7 percent. Compared with 32 percent of the NATO countries' jurisdiction, 32 percent of Japan's, and 21 percent of the Philippines', this fact clearly shows how weak our sovereignty is.

In the agreement, the U.S. forces stationed in South Korea are provided with the rights to use military facilities and military sites free of charge. This forms a contrast to the cases in West Germany and the Philippines. The fact that the Philippines has received from the United States \$600 million every year as a rental fee for U.S. military bases in the country contrasts greatly with the fact that South Korea has paid \$1.9 billion to the U.S. side as expenses to maintain the U.S. forces stationed in South Korea. The labor union activity of Korean employees working in U.S. Army units and their rights to collective action have been greatly restricted. On the contrary, U.S. soldiers and their dependents are enjoying tax exemptions and the freedom of entry into and departure from South Korea. Such a situation is unprecedented in other countries.

The government is now pushing ahead with the revision of the ROK-U.S. Status of Forces Agreement for the first time in 20 years. It is certain that the result of the revision will have an important influence on the future relations between the two countries. The government authorities should reflect on the shameful exercise of sovereignty in the past and revise the agreement at least up to the level of those with West Germany or Japan. Of course, articles on preventing AIDS should also be included in this agreement.

Daily Comments on Consolidating U.S. Ties
SK2812012088 Seoul THE KOREA TIMES in English
28 Dec 88 p 8

[Editorial: "Korea-US Relationship"]

[Text] We fully agree with Korean Ambassador to Washington Pak Tong-chin when he said the alliance with the United States is necessary to secure the safety and prosperity of Korea at least until it acquires the capability to survive by itself. Pak reportedly also said Saturday that anti-Americanism here should be confined to U.S. policy and not come to mean anything like expulsion of everything American.

Amb. Pak rightly pointed out that students' resorting to violence, doing such things as burning the Stars and Stripes and seizing USIS buildings, is nowhere near cultured behavior. Expressing his disappointment over such unhappy developments, he said he is worried about the impact of these scenes on Americans.

It is true that these days anti-American slogans and activities by the radical students have become a matter of serious concern to both withdrawal of the U.S. troops in Korea, public apprehension is further increased. However, it should be noted that the silent majority is solidly behind the continued presence of the American forces here as against the vociferous minority on the move.

An authoritative opinion survey shows that more than 63 percent of the pollees wanted the American troops to stay here at least five more years, compared with 6.5 percent who demand an immediate pullout. This shows that Koreans supporting the U.S. troop presence are almost ten times as plentiful as the oppositionists.

Regrettably enough, the silent majority has been overwhelmed by the active minority with the possibility of distorting prevalent public opinion. Now is the time for the majority to speak up so that their genuine views are reflected by both the Korean and U.S. governments and their peoples in their future policy making.

It is quite natural that the new American government will make an overall policy review including a look at Korean-American relations, although there no significant change is expected in the traditional ties between the the two allies. Nonetheless, the possibility has been

raised by some U.S. officials and Congressmen of a reduction or withdrawal of the U.S. forces here, along with the removal of nuclear weapons.

U.S. defense secretary-designate John Tower indicated on Sunday that U.S. military manpower might be cut rather than arms to meet budget restraints. Rep. Solarz who heads the House Asia-Pacific affairs subcommittee was reported to have stressed the need for review of the U.S. defense system including the American forces in Korea and deployment of nuclear arms here.

But for this development, there still is a strong consensus that the American forces in Korea are necessary as long as threats from North Korea exist. President No Tae-u has asserted that it is not yet time to consider a reduction in the U.S. troops in Korea, adding that when substantial progress in reducing tension in Korea is made, the question would be considered. No's view was closely endorsed by American Ambassador to Seoul James Lilley who said in a recent speech that the number of U.S. soldiers here will not be cut in the near future.

Despite the affirmation on the need for a continued U.S. military presence, we must be wary of the possibility that the matter could be waywardly handled due to misunderstanding or emotional confrontations between Washington and Seoul.

Reports have it that the U.S. administration has voiced displeasure with Korea's over hasty approach to the Communist bloc states under the northern diplomacy actively pursued by the present No Tae-u government. Also the anti-American sentiments among some Korean students that have often led to clashes with the U.S. military personnel here may adversely affect the Korea-U.S. relationship or stimulate America's decision on a disengagement from Korea.

It was our basic position that the United States should not handle the Korean question with North Korea or its allies over the head of the Korean government. And actually, the American government has kept faith with Korea, always supporting the Korean position in international disputes with the Pyongyang. We must be faithful too to our close ally, not to give it a sense of estrangement over dealing with America's rival state, the Soviet Union. The Korean government should refrain from undertaking any Soviet projects that may bolster its military potential against the Free World.

The mutual Seoul-Washington ties need to be further consolidated and therefore our approach to the Communist bloc states must not be pushed at the sacrifice of traditional allies. We must admit that the present-day's success is as much dependent on the firm axis of the Korean-American military alliance and its economic cooperation as the Korean people's painstaking efforts for survival and prosperity.

Trade Office Agreement With Soviet Union Planned
SK2812132788 Seoul YONHAP in English
1303 GMT 28 Dec 88

[Text] Seoul, Dec. 28 (YONHAP)—South Korea and the Soviet Union will sign an official agreement around Jan. 23 in Seoul to exchange trade offices that would handle consular affairs as well, a leading vernacular daily published here reported Wednesday.

The trade office, which will be opened in each other's capital, will be allowed to issue visas and protect the safety and interests of its own nationals as well as deal with economic matters of common concern, according to the HANGUK ILBO.

It said duty-free privileges, that are normally offered to diplomats, will be granted to the officials of the trade office, the report added.

The paper expected that the establishment of such trade offices will enhance ties between Seoul and Moscow to semi-diplomatic level, adding that the two governments could formally communicate through the new channel.

The HANGUK ILBO quoted an unidentified source as saying that the two countries agreed in principle to exchange trade offices in a secret negotiation held in Moscow in last September between Pak Chol-won, special assistant to President No Tae-u for policy-making, and a senior Soviet Foreign Ministry official.

Vice chairman of the U.S.S.R Chamber of Commerce will visit Seoul on Jan. 23 to conclude the accord, the source was quoted as saying.

"The two countries may seek to exchange permanent missions within next year as Hungary did with South Korea this year as a prior step to a full-fledged diplomatic relation. And I do not deny the possibility that the two may go into full diplomatic relation without taking such a intermediate step," he said. "Likely effects of such an improvement in relations between the two countries have been fully explained to the United States and other friendly countries," he added.

"The Soviet Union might have sought similar understanding from North Korea," he said.

Daily Views Shevardnadze Visit to Pyongyang
SK2812052188 Seoul TONG-A ILBO in Korean
26 Dec 88 p 2

[Editorial: "Talks Between the Foreign Ministers of North Korea and the Soviet Union"]

[Text] Soviet Foreign Minister Eduard Shevardnadze's visit to North Korea last week presaged major changes not just in relations between South Korea and North Korea but also in the broader international scene around the Korean peninsula.

According to reports from Moscow Radio and KCNA, Foreign Minister Shevardnadze advised North Korea that, above all, "what is necessary to solve the problem on the Korean peninsula are a dispassionate review of existing realities and constructive approaches based on principles of national reconciliation and balanced interests." Minister Shevardnadze's statement is interpreted as urging North Korea to recognize that it is not alone on the Korean peninsula but that an "entity" called the ROK also exists there, and that the ROK should become an object of cooperation and coexistence.

While this Soviet policy toward the ROK is part and parcel of an overall Korean peninsula policy pursued positively by Moscow since 1986, it is also linked with the strategy and tactics of the Soviet Union's Pan-Asia policy of advancing into the Pacific, seeking reduction of tension and stability in the East Asian region.

In his July 1986 "Vladivostok statement," Soviet General Secretary Mikhail Gorbachev surfaced concrete relations with the ROK, saying, "In the future we will seek flexible and diverse ties with all the nations of the Asian-Pacific region without exception." Two years later in September 1988, he said in his "Krasnoyarsk statement" that, "Based on an across-the-board improvement of the situation on the Korean peninsula, I see emerging the possibility of putting economic relations between South and North into orbit."

From that time, the Korea-Soviet relationship has developed at a breath-taking rate, especially in economics, and the news from Moscow is that the Russian people's perceptions of Korea have improved, especially since the Olympics. But there is one point about which we cannot be too cautious when it comes either to Soviet policy or the Russian admonition to North Korea to adjust their perceptions about the ROK. That point is that essentially Russia suggested to North Korea merely that it accept the "entity" existing in the southern part of the Korean peninsula and pursue practical interests there. The Soviet Union did not suggest that North Korea officially recognize the Republic of Korea as a "state." The point is clearly made even in the joint statement issued by Foreign Minister Shevardnadze and Foreign Minister Kim Yong-nam: "The Soviet Union does not recognize the Republic of Korea and does not seek any political or diplomatic relations with her." Thus we see that at present the Russians are pursuing Soviet-style pragmatism, a strict separation of politics and economics.

Flowing from this pragmatic approach, Shevardnadze urged North Korea to follow Gorbachev's openness and reform in both the domestic and foreign affairs spheres, pointing out that, "Reform is necessary to further strengthen the balanced fraternal socialist state relationship existing between our two countries." Another noteworthy matter arising during the Soviet foreign minister's trip to Pyongyang was that the Soviet side explained

to North Korea and sought its understanding of developing economic and cultural relations between the Republic of Korea and the Soviet Union.

On these various matters, the first visit of Foreign Minister Shevardnadze to Pyongyang since January 1986 was exceptionally meaningful, and in the future we hope to see North Korea fall in step with the changes occurring in the nations around it, open up, and display flexibility.

As of now, even the relationship between Seoul and Pyongyang awaits evidence of change in North Korea. North Korea must firmly march down the road leading to the people, to democracy, to peace, and to civilization. The Soviet-Japanese relationship which has been frigid for 40 years is now warming up. How will Japan adjust its policy toward the Korean peninsula in the future? South and North Korea as a joint national entity must scrutinize this closely and be prepared with appropriate countermeasures.

As we enter 1989, the situation around the Korean peninsula in East Asia truly appears to be on the threshold of a completely new situation.

Daewoo Plans Joint-Venture Bank With Hungary
SK2512041788 Seoul THE KOREA TIMES in English
25 Dec 88 p 6

[Text] The Daewoo business group plans to set up a joint venture bank with Hungarian Credit Bank (HCB) in Hungary, sources at Daewoo said yesterday.

The sources said that the group had sent an inspection team composed of officials from the Daewoo Securities Co. to discuss details.

This has been realized as a result of a positive answer from the bank to Daewoo chairman Kim U-chung who expressed his hope the joint venture could be established when he made a visit to Hungary last month.

Formal contracts are expected to be made in February or March next year with approval from the Finance Ministry, the sources said.

The joint venture bank will play a role in raising foreign capital for Hungary and help domestic businesses invest in the East European country, the sources said.

The Daewoo group and the Hungarian bank will invest \$50 million each in the project.

Vice Foreign Minister Departs on Visit to Hungary
SK2612022288 Seoul YONHAP in English
0202 GMT 26 Dec 88

[Text] Seoul, Dec. 26 (YONHAP)—Vice Foreign Minister Sin Tong-won left here Monday on an official visit to Hungary which may signal a potential breakthrough in the efforts by South Korea, an anti-communist country, and the Eastern European socialist country to establish diplomatic relations.

The Foreign Ministry said Sin's visit to Budapest is made at the invitation of Hungarian State Secretary for Foreign Affairs Horn Gyula and that Sin is expected to conclude an agreement on investment protection during his three-day-long visit.

Foreign Ministry sources said Sin is also scheduled to meet with Karoly Grosz, secretary general of the Hungary Socialist Workers Party, Premier Karoly Nemeth and other Hungarian leaders to exchange views on international issues of common concern and ways to promote bilateral cooperation between the two countries.

Sin's visit to the socialist country marks the first time that a senior South Korean Government official will visit Hungary since the two countries announced on Sept. 13 a mutual accord on a proposal to exchange permanent missions and later decided to have talks aimed at opening full diplomatic relations between the two countries.

Sources said Sin's visit to Hungary may be aimed not only at signing the investment protection accord but also at seeking a meaningful step forward in the two countries' efforts to realize diplomatic relations.

Sources said the diplomatic negotiations between the two countries have so far been progressing smoothly, adding that "all that remain are only procedural matters."

Sin, in his discussions with the Hungarian officials, is also expected to discuss matters concerning economic cooperation. The accord on investment protection, which was initialed in Seoul last month and is to be officially signed during Sin's visit, stipulates most-favored-nation treatment for such investments and free withdrawal of capital and remittance of investment earnings.

Officials observed that the two countries are expected to expand their official ties further to conclude pacts on economic cooperation, double taxation avoidance, no-visa, and cultural exchanges.

Document on Formal Relations Planned
SK2712013488 Seoul THE KOREA TIMES in English
27 Dec 88 p 2

[Text] Vice Foreign Minister Sin Tong-won and Hungarian Foreign Minister Peter Varkonyi will sign diplomatic document on establishment of a full diplomatic relations between the two countries in Budapest tomorrow, a Foreign Ministry official said yesterday.

With the official signing of the documents, both governments are expected to announce a joint statement on the set-up of full relations in the closing week of next January, the official said.

Sin left for Hungary Sunday (Dec. 25) for an official visit from Dec. 27 to Dec. 29 at the invitation of the Hungarian State Secretary for Foreign Affairs, Gyula Horn.

During his visit Sin will meet with Hungarian leaders, including General Secretary Karoly Grosz and Prime Minister Niklos Nemeth to discuss bilateral relations.

Seoul and Budapest exchanged permanent missions last October.

Sin will discuss with Horn the issue of opening embassies in each other's capital. Concerning this matter, another official said both governments have already agreed to provide land for each other's chancery at no charge.

Sin is expected to reach agreements on Seoul's commercial loans to Budapest, double taxation avoidance, visa exemption and cultural exchanges, the official said.

Accord Signed on Investments

SK2812021588 Seoul YONHAP in English
0206 GMT 28 Dec 88

[Text] Budapest, Dec. 28 (YONHAP)—Korea and Hungary concluded on Wednesday an accord for the protection of investments seeking to accelerate bilateral economic ties.

The agreement was signed by Korea's Vice Foreign Minister Sin Tong-won, who arrived here Tuesday for a three-day visit, and Hungary's Vice Finance Minister Andras Patko.

Sin, the highest-ranking South Korean official ever to visit Budapest, met with Undersecretary for Foreign Affairs Gyula Horn on arrival to discuss the signing of four other pacts on economy-trade, culture, science-technology cooperation and double taxation avoidance as well as discuss upgrading their diplomatic relations.

The two countries are likely to announce an agreement on ambassador-level diplomatic relations next month when Horn is to visit Seoul in January. Seoul and Budapest agreed in September to open permanent missions in each other's capital.

The two nations are to sign the remaining agreements later, following further talks between working-level officials.

Sin met with Hungarian Prime Minister Miklos Nemeth to discuss matters of mutual concern after signing the investment protection accord.

Commercial Aviation Pact Possible

SK2812075188 Seoul YONHAP in English
0700 GMT 28 Dec 88

[Text] Budapest, Dec. 28 (YONHAP)—Korean Air (KAL) and Malev Hungarian Airlines may launch flight services to Budapest and Seoul, respectively, next year, Sin Tong-won, Korea's vice foreign minister said Wednesday.

In an interview with YONHAP, Sin said an aviation agreement might be signed along with two other accords on economic cooperation and culture in the first half of 1989.

In a meeting Tuesday, the first between Sin and Hungary's vice foreign minister, the two countries exchanged draft accords on culture and aviation.

The source said the signing would follow the conclusion of accords on economy-trade, culture, science-technology cooperation and double taxation avoidance.

Party Leaders Plan To Visit Socialist Countries

SK2712013088 Seoul THE KOREA TIMES in English
27 Dec 88 p 2

[Text] Ruling and opposition party leaders are scheduled to visit foreign countries with a focus on socialist giants as part of what is usually called "parliamentarian diplomacy" early next year, riding the wave of speedy rapprochement with the East bloc, official said yesterday.

Yi Chong-chan, secretary general of the Democratic Justice Party, said that the government party is pushing ahead with plans for the establishment of parliamentarian fraternities with East European countries and that "clandestine" negotiations have been under way between the authorities concerned.

He told a conference of local DJP chapter heads that chairman Pak Chun-kyu, well-known to International Parliamentary Union members for his vigorous participation in IPU congresses, is shortly expecting a green light for the plan from East bloc nations, including Hungary, which has a permanent mission in Seoul.

Rep. Yi explained that the party is being urged to back the No Tae-u administration's so-called "nordpolitik," a series of aggressive appeasement bids towards Communist giants and Pyongyang to its north, and to further cope positively with openness of the overall East, particularly Moscow and Beijing.

A senior DJP official said that Pak is likely to take a trip to the Soviet Union to discuss the exchange of politicians in the form of their participation in academic seminars and thereby opening formal channels of contacts between parliamentarians of the two countries that have no diplomatic ties.

Pak's planned trip to Moscow is, however, believed to be pursued to give a deliberate snub to Kim Tae-chung, president of the largest opposition Party for Peace and Democracy, who intends to visit the Soviet Union sometime between March and May, observers said.

Kim Tae-chung has long sought a journey to the Communist superpower to ward off the No government's possible use of the potential outcome of "nordpolitik" as a leverage to pass through a crucial mid-term public assessment of his achievements, expected for late May or early June.

His international relations aide Rep. Cho Se-hyong earlier told reporters that Kim has obtained an invitation from the prestigious Soviet Academy of Science but a ranking government source disclosed that he was given "merely" a tourist visa, apparently an unsatisfied status which might have delayed his trip, initially slated for January.

The PPD leader said yesterday that he would travel to the Soviet Union, China, the United States and Japan, the four countries keenly involved in Korean affairs, in the coming year—two of trips in the first half and two others in the latter half, so far, a rough schedule has been set only for his visit to Moscow, he added.

He confirmed that he would also undertake trips to West Germany and France next month to get acquainted with socialist government leaders.

To enhance his international political posture, Kim Tae-chung's archrival, Kim Yong-sam of the Reunification Democratic Party, will visit Washington and Tokyo around late next month, a member of his staff said.

He revealed that the RDP president received an invitation from the U.S. Council on Foreign Relations to visit early this month but that he had to put off his visit due to then heated Assembly hearings on the legacies of Chon Tu-hwan.

"(Party) president Kim is inclined to fly to the United States so that widespread enthusiasm for relations with socialist countries should not cost us our traditional friendship with allies, such as the United States," he said. Itineraries are being worked on for his trip, probably including meetings with President-elect George Bush and other political leaders.

He said the Kim, who first declared his intention to visit the Communist giants, would keep seeking a visit to China. His wish to meet Kim Il-song, quoted by the New York Times, became a hot controversy among rival political forces in 1979 and then ruling Democratic Republican Party, chaired by Pak Chun-kyu, deprived him of parliamentary membership in October which led to a popular protest in Pusan and Masan, his power bases, and was capped by the assassination of president Pak Chong-hui.

Paper on Increasing Ties With Communist Nations
SK2812015288 Seoul THE KOREA HERALD in English
28 Dec 88 p 8

[Editorial: "Avenue to East Europe"]

[Text] A dazzling spurt of developments in Seoul's evolving relations with mainland China, the Soviet Union and East European nations in recent weeks is both encouraging and confusing. We are naturally interested in widening the scope of contact with them and undertaking profitable and dynamic exchange with them after long severance.

At the same time, there is good reason to be skeptical and wary of the true motives and aims of those Communist countries in opening relations with this ideologically disparate nation. Or rather, we should be more heedful of the substantive prospect of dealing with them for the near future.

The relations between the south and the north of Korea are much more subtle and volatile. Despite the apparent desire for mutual dialogue and ultimate reunification of the Korean peninsula, their encounters always end up as much ado about nothing. The verity of north Koreans is usually questioned.

Inasmuch as the Seoul government has all along stuck to a policy of open door and pragmatic diplomacy rising above political and ideological differences, it is good and proper that it continues to initiate and expand ties with those Communist nations in a positive way, but not without reservations.

Our open-mindedness and readiness should be tempered by an awareness born of repeated experiences that many of them used to adopt double standards in international affairs. Of course, north Korea has been next to none on this score.

Thus, a great amount of realism, insight, precaution and above all, a sense of balance are needed to cope with those new partners, a few of whom had been our adversaries until quite recently.

The local press splashed reports of the Soviet Union's request for Korean investment in building hotels and materials plants, a bilateral Seoul-Moscow accord on opening the shipping route between Vladivostok and Pusan and the imminent establishment of full diplomatic relations with Hungary preceded by the visit of Vice Foreign Minister Sin Tong-won to Budapest this week.

Joint industrial ventures are increasing with China. Exports and imports to and from China and the Soviet Union are known to have exceeded the symbolic level and started dispensing with third-country transfers. All these are positive signs for growing industrial and financial cooperation with members of the East bloc which should clear the way for full-fledged regular relations.

With cold calculation and sober judgement, however, we must face the challenge and opportunities looming on the Eastern horizon we seek to widen.

Goldstar Increases Direct Exports to Bloc
SK2812015488 Seoul YONHAP in English
0145 GMT 28 Dec 88

[Text] Seoul, Dec. 28 (YONHAP)—Goldstar Co. Ltd. is stepping up efforts for direct exports to Eastern European countries, business sources said Wednesday.

Goldstar has become the first Korean company to realize direct exports to Poland, when it shipped in November 250,000 floppy disks to that country. It also contracted this month to export 700 million dollars worth of color television sets to it, the sources said.

For the direct export of floppy disks, the company opened a letter of credit (l/c) from the Bank of Handlowy Warszawie in Poland to the Seoul branch of the Standard Chartered Bank and shipped Goldstar brand disks from Korea's southern port of Pusan to Gdynia, Poland, for the Polish firm, Metronex Co., according to the sources.

Meanwhile, Goldstar plans to establish branch offices in Budapest, Hungary, in January and set next year's export target to East Europe at 100 million dollars, twice that of this year's estimated 50 million dollars, the sources said.

Foreign Ministry To Create Division on Bloc Trade
SK2812080388 Seoul YONHAP in English
0735 GMT 28 Dec 88

[Text] Seoul, Dec. 28 (OANA-YONHAP)—Consultations are under way with the Government Administration Ministry on the creation of two divisions in the Foreign Ministry, officials at the Foreign Ministry said Wednesday.

Under the reorganization plan, the East Europe Division of the European Affairs Bureau will be separated into Divisions One and Two and a third division exclusively dealing with trade with the East European countries will be added to the bureau, the officials said.

Matters concerning the Soviet Union and other East bloc countries will be under the jurisdiction of Divisions One and Two, respectively, they said.

In addition, the ministry is to assign 23 diplomats including two first-grade and three second-grade personnel to the newly established permanent missions in Hungary and the EC, and the consulates-general in Boston, Massachusetts, and Miami, Florida, in the United States.

Daewoo, PRC Province Seek To Set Up Venture
SK2712020888 Seoul YONHAP in English
0136 GMT 27 Dec 88

[Text] Seoul, Dec. 27 (YONHAP)—South Korea's Daewoo business group and China's provincial government of Zhejiang are seeking to set up a joint venture factory in Korea to produce Braun tubes for color televisions, a business source said Tuesday.

It marks the first time for South Korea and China to seek the establishment of a joint venture plant in Korea.

"Twelve Chinese officials of Hangzhou City of Zhejiang Province visited the Daewoo group here on Dec. 14 and agreed in principle to jointly set up a Braun tube production company in the southeastern city of Kumi, where Korea's electronic industrial complex is located," the source said.

The formal contract will possibly be concluded early next year, the source added.

Under the agreement with the Chinese city officials, Daewoo and the Chinese provincial authorities will invest about 20 million U.S. dollars, with Daewoo to invest about 70 percent of the total.

The joint venture company will reportedly be named "Orion Electric Component Company" and will have an annual production capacity of 1.2 million sets of Braun tubes.

Construction of the Braun tube plant will be completed by next May if the joint venture contract is signed in January or February as scheduled, the source said, adding that all the Braun tubes produced will be exported to China.

Shipping to Middle East Expected To Enjoy Growth
SK2412073788 Seoul YONHAP in English
0712 GMT 24 Dec 88

[Text] Seoul, Dec. 24 (YONHAP)—The Middle East-bound shipping business is expected to enjoy renewed prosperity next year, fueled by the likely participation of Korea's construction industry in Iraq's postwar rehabilitation projects.

The shipping industry expects to transport construction materials to Iraq to support the Middle East nation's reconstruction efforts, a business source said.

Iraq asked Korean construction companies at the Korea-Iraq meeting in Seoul from Oct. 19-22 to actively take part in its rehabilitation projects.

Since the cease-fire was reached in August in the eight-year-long Iran-Iraq War, Korea's shipping industry has been preparing to reopen the interrupted Middle East-bound shipping services. Those services experienced unprecedented prosperity in the late 1970's, riding on the construction boom in the region.

However, the Iran-Iraq War led the shipping industry to give up most of its regular services to the Middle East from 1980-1988.

To date, four Korean companies have obtained licenses to operate regular shipping services to the Middle East.

Firms Establish Production Bases in Latin America
SK2412020888 Seoul YONHAP in English
0138 GMT 24 Dec 88

[Text] Seoul, Dec. 24 (YONHAP)—Korean textile companies have recently rushed into Central and South America to establish production bases there, business sources said Saturday.

The active transfer of production bases into foreign countries reflects the comparatively high wages in Korea and rising import restrictions on Korean-made textile products by the United States, the world-largest textile market.

The focus on Central and South America rather than Asian countries including Thailand is attributed to what is seen as inadequacy of the latter in view of bad weather conditions detrimental to product quality and low labor productivity while the United States prefers the former due to its proximity.

A total of 22 member companies of the Korea export association of textiles have established production bases overseas.

Sampoong Co., a manufacturer of men's clothing, made inroads in the Dominican Republic and Guatemala, while such firms as Boo-hung Co., Shinsung Tongsang Co., Young-an Hat Co. and Jinlee Co. each have local factories in Costa Rica.

Meanwhile, other textile companies have production bases in the United States. Wopung Mulsan Co., Samkoo Trading Co., Gunja Industrial Co. and Hanchang Corp. have made inroads in New York, while Jinwoong Industries Co. and Baikyung Co. run local factories in California and Choyoung Enterprise Co. has a local factory in Colorado.

More domestic textile companies are expected to advance to the Central and South American regions as local factories there enjoy favorable results, the sources said.

Tuna Fishing Agreement Signed With France
SK2412021188 Seoul YONHAP in English
0159 GMT 24 Dec 88

[Text] Seoul, Dec. 24 (YONHAP)—A total of 139 Korean fishing vessels will operate in waters off Polynesia and other French territories next year to catch tuna, the Office of National Fisheries Administration (ONFA) said Saturday.

The office said Korea and France agreed Thursday in fishery talks on Korean ships' operations there from Jan. 28, 1989 to Jan. 19, 1990.

During the three-day talks held in Seoul, the two sides signed an agreement stipulating that Korea pay 3.12 million French francs, or 517,000 U.S. dollars, in charges for a catch of up to 6,300 tons of tuna.

This year, a total of 60 Korean fishing boats operated in French Polynesian waters and caught 2,400 tons of tuna worth eight million U.S. dollars.

Kim Tae-chung To Visit FRG, France
SK2512022688 Seoul THE KOREA TIMES in English
25 Dec 88 p 1

[Text] Kim Tae-chung is scheduled to visit West Germany and France for ten days in the middle of next month for a series of meetings with West German Chancellor Helmut Kohl and French President Francois Mitterrand.

According to sources at the Party for Peace and Democracy, Kim's visit was arranged by West German Foreign Minister Hans-Dietrich Genscher and Kim's top aides.

Negotiation is under way to arrange for Kim's speeches at the parliaments of each country. Kim is also set to meet former chancellor William Brandt, they said.

Cooperation Agreement Signed With Guinea-Bissau
SK2712015488 Seoul THE KOREA HERALD in English
27 Dec 88 p 2

[Text] An agreement for economic, scientific and technical cooperation was concluded between Korea and Guinea-Bissau in Dakar, Senegal, Monday, the Ministry of Foreign Affairs announced yesterday.

Korean Ambassador to Dakar Yu Chong-hyon, who is concurrently accredited to Guinea-Bissau, and Amb. Batista of Guinea-Bissau to Senegal signed the treaty which is aimed at promotion of human and technical exchanges between the two countries for economic cooperation. The two countries are also to establish a joint committee for the purposes.

The agreement is the first pact between Korea and the West African country, which established diplomatic relations in December, 1983. Guinea-Bissau is the 57th country to have an agreement for economic and technical cooperation with Korea.

Audits of Foreign Businesses To Be Strengthened
SK2412071488 Seoul YONHAP in English
0619 GMT 24 Dec 88

[Text] Seoul, Dec. 24 (OANA-YONHAP)—Tax audits of foreign businesses and foreign-invested enterprises doing business in Korea will be strengthened beginning next year, the Office of National Tax Administration (ONTA) said Saturday.

The measure is to be taken in light of many such firms, riding on the highly bullish stock market and the Korean currency's appreciation, which divert their profit margins into local stock market instead of sending them home.

The ONTA, in explaining the reason for the stepped-up audits, said those companies seek to lure speculative funds from overseas into the Korean stock market aiming for short-term profits while domestic laws have no provisions to halt such actions which it termed irregularities.

Such practices are likely to continue in the early 1990's when domestic financial markets are to be fully opened, according to the ONTA.

Tax investigation will also be tightened for domestic businesses which have many foreign transactions.

Some 200 firms will be likely to be subject to tax probes as tax fraud cases have been reported involving many of them overestimating overseas advertisement fees or claims for damages.

The businesses subject to the audits include manufacturing and construction firms with annual turnover of more than 300 million dollars, trading firms with annual turnover of more than 73 million dollars, and deep-sea fishing firms with annual turnover of more than 30 million dollars, ONTA said.

Hyundai Companies 'Lock Out' Workers
SK2412005088 Seoul THE KOREA TIMES in English
24 Dec 88 p 3

[Text] The managements of the Hyundai Heavy Industries Co., Ltd. and Hyundai Engine and Machinery Co., Ltd, both in Ulsan, Kyongsangnam-to, locked workers out indefinitely in the face of lingering labor disputes early yesterday morning.

An announcement of lockout was posted at the bulletin boards and major entrance of the company compound.

In the announcement, the management said "We had no other choice but to call the lock out as no prospects of an early settlement are seen at present."

Despite the management decision, some 18,000 workers of the Hyundai Heavy Industries reported to work and discussed their future course of action.

The workers of the Hyundai Engine and Machinery Co. also reported to work as usual and held a rally on the playground calling for the retraction of the lockout decision.

Hyundai Heavy Industries earlier requested the Kyongsangnam-to provincial office to intervene to put an end to the strike.

Labor Difficulties Halt Production
SK2412072588 Seoul YONHAP in English
0708 GMT 24 Dec 88

[Text] Seoul, Dec. 24 (YONHAP)—Daewoo Motor Co. halted production of all types of vehicles except buses due to union difficulties stemming from the alleged embezzlement of public funds by a union executive, businesses sources said Saturday.

Daewoo motor has failed to produce more than 600 units daily beginning Dec. 19, causing a shortfall in the supply for export and domestic demand, the sources said.

Domestic car purchasers ordering vehicles from the company face a wait in delivery of more than one month while a temporary halt in exports is inevitable, according to the sources.

The sources predicted that if disputes are settled Dec. 24, Daewoo is expected to resume operations at the end of this year but if the disputes continue, the company will face a shortfall in production of 7,000 to 8,000 units until year's end, dealing a blow to the 1989 production target.

Meanwhile, Hyundai officials said that Hyundai Heavy Industrial Co. halted operations beginning Dec. 23 due to a strike while Hyundai Engine Mfg. Co., confronted with a strike by workers since Dec. 21, instituted a lockout on Dec. 23. The disputes at the two firms, both of which are affiliated companies of the Hyundai business group, concerned wage increases, the officials said.

Labor Union Halts Operation of Main Computer
SK2712080988 Seoul YONHAP in English
0718 GMT 27 Dec 88

[Text] Seoul, Dec. 27 (YONHAP)—The labor union at the Korea Institute for Economics and Technology (KIET), in a strike action, has halted operation of the institute's main computer system, the labor union announced Tuesday.

The action at KIET, a government-invested research institute, began at 9:00 a.m. affecting the so-called KIET line which is connected to about 6,000 affiliated bodies including research institutes at public and private associations, major domestic businesses, schools and the National Assembly library.

The union, which has been on strike since Dec. 14 demanding protection of autonomy in research activities and wage hikes, shut down the computer system in line with a union decision on Dec. 26, after it failed to reach an agreement with KIET management despite seven rounds of collective bargaining since Dec. 2.

A union official said the union informed 500 affiliated bodies of its decision before the action in which all computer operators walked off the job.

The KIET offers information on foreign scientific technology and economic-related statistical materials to the affiliated bodies to support their research and development efforts.

The union, which began another round of collective bargaining at 10 a.m. Tuesday, warned that it would continue the strike indefinitely if no agreement is reached with management at Tuesday's meeting, which it termed the "last" meeting, according to the union official.

The KIET management, however, which has maintained a hard-line stance toward the union action, said there is no possibility of accepting the union's demands and beginning normal bargaining during a strike.

Meanwhile, the labor union of the Korea Advanced Institute of Science and Technology (KAIST) decided to shut down the KAIST computer system on Thursday unless disputes with the management are resolved by then.

"We are ready to shut down the computer system related to securities business and grading of examination papers (for applicants to enter universities)," warned the union of another government-invested research institute Tuesday.

Union members at seven other government-invested research institutes in Seoul and South Chungchong Province began a joint strike around Dec. 14 in a show of support for the KIET and KAIST unions and staged a demonstration at the Academy of Korean Studies near Seoul Tuesday with union members of government-invested institutes participating.

Ends 13-Day Strike

SK2712091288 Seoul YONHAP in English
0859 GMT 27 Dec 88

[Text] Seoul, Dec. 27 (YONHAP)—The labor union at the Korea Institute for Economics and Technology (KIET) ended its 13-day strike at 1:40 p.m., the union said Tuesday.

The union and the KIET management reached an agreement under which management accepted union demands including wage hikes and autonomy in research activities, according to a union official.

The union halted operation of the institute's main computer system in a strike action earlier in the day paralyzing for about five hours its information services to 500 of its affiliated organizations.

Unionists Feud at Daewoo Motors Halt Production SK2812011088 Seoul THE KOREA TIMES in English 28 Dec 88 p 3

[Text] The auto production line at the Daewoo Motor Co. in Incheon was silent for the eight straight day yesterday, embroiled in damaging "infighting" among union workers.

At issue is the mutual distrust among members of the trade union at the auto manufacturing firm.

The members of the union at the motor factory began boycotting work last Saturday, demanding the immediate stepdown of the executive officials of the union.

The workers reportedly maintained that the executive officials had spent the union funds on their own in violation of the union regulations.

But the executive office rejected the demand of the union members, insisting that an inspection had found no evidence of misappropriation.

Normal Operations Resumed

SK2812101788 Seoul YONHAP in English
0835 GMT 28 Dec 88

[Text] Seoul, Dec. 28 (YONHAP)—Daewoo Motor Co. has resumed vehicle production 10 days after it suspended normal operations owing to an internal discord of the company's labor union, company officials said Wednesday.

Daewoo resumed operations Tuesday afternoon when the unionists resorted to a compromise agreement that they discuss the possible resignation of the union's executives in the general assembly slated to be held in coming February, the officials said.

Some union members have openly charged their president of having embezzled some of the union's official funds.

Meanwhile, the company suffered 48 billion won (about 70 million U.S. dollars) in production loss during the 10-day period, a Daewoo spokesman said.

Motorola Unionists Suffer Burn Injuries

SK2812011488 Seoul THE KOREA TIMES in English
28 Dec 88 p 3

[Text] Five labor union members of Motorola Co. Korean branch on strike set themselves on fire by accident or deliberately by someone at the company entrance in Kwangjang-dong, southern Seoul, yesterday.

Some 100 union members were confronting with white workers who are opposed to the labor union at the entrance of the building, demanding a meeting with the company president.

The five in the front row were learned to have doused themselves with inflammable gas on their bodies.

According to an eyewitness, one unidentified company official struck a match which led to the workers being set on fire.

The five were immediately moved to a nearby hospital for treatment, but one of the victims identified as Yi Kang-uk, 29, is in critical condition.

Three Arrested for Assaulting Police

SK2812014488 Seoul THE KOREA HERALD in English
28 Dec 88 p 3

[Text] Suwon, Kyonggi-do—Three of the 53 people held in connection with Sunday's illegal demonstration at the Kwachon government building were arrested on assault charges, the prosecution said.

Prosecutor Pak Tae-kyu at the Suwon District Prosecutors' Office said the three including Yi Ok-son, 34, were placed under arrest for assaulting police officers while being taken away by police.

The prosecutor also booked six detainees without physically detaining them. They included Chang Ki-pyo, Kim Hyon-chang and Mun Pu-sik, all released from prison in a recent amnesty.

But, the prosecution said the remaining 44 people were freed because they are old, weak or were "inactive" participants in the protest.

DJP Seeks 6 Vice Presidents in Reform Drive

SK2412000488 Seoul THE KOREA TIMES in English
24 Dec 88 p 2

[Text] The Democratic Justice Party plans to install six vice presidents—four through a vote and two others through appointment by President No Tae-u, also president of the ruling party, according to a draft drawn up by the DJP's reform commission yesterday.

The draft will be reported to No in a weekly party-Chongwadae meeting next week for approval, party officials said.

The senior vice president who scores the highest support rate in the vote will take charge of day-to-day business, currently managed by the chairman.

The DJP set the way for the adoption of vice presidencies in a revision of the party charter early this year.

There have been strong calls for the choice of party leaders by vote as part of a democratic administration of the government party, conventionally ruled in an authoritarian manner.

But informed observers viewed that the election for the vice presidents is likely to be called for later next month because No is believed to want to go through a midterm assessment of his achievements under the management of chairman Pak Chun-kyu, his much trusted high school senior and possessor of a long political career. The interim appraisal is to be held around the second anniversary of his June 29, 1987, democratic reform program.

The DJP's reform commission, set up late last month to wipe out the distress resulting from an unprecedented setback in the April 26 elections, is studying the amendment of party platforms, overall policies and other issues to expand its power base.

Burma

Foreign Ministry Official Meets Japanese Envoy *BK2612143488 Rangoon Domestic Service in Burmese 1330 GMT 26 Dec 88*

[Text] U Ohn Kyaw, director general of the Foreign Ministry's Political Department, received the Japanese ambassador, Mr Hiroshi Otaka, at the Foreign Ministry annex at 1300 on 26 December and discussed bilateral matters.

Parties Request Registration Under New Names

Peasants Party

*BK2612151088 Rangoon Domestic Service in Burmese
1330 GMT 26 Dec 88*

[Text] The request made by the Peasants Party, Burma, which has its headquarters at No 84, Hume Road, Sanchaung Township, Rangoon Division, that it be permitted registration under a new name—the All-Burma Peasants Organization [ABPO]—has been agreed to and permitted registration as of 26 December in accordance with Section 5A of the Political Parties Registration Law. This was announced in Announcement No 174 of the Commission for Holding Democratic Multiparty General Elections.

The ABPO has been formed with the following Central Executive Committee:

Chairman: U Kyaw Thaug, former executive committee member of the Antifascist People's Freedom League, First Grade Independence Mawgun Award winner;
Vice Chairman: U Tin Maung Saw;
Vice Chairman: U Kyaw Thein;
General Secretary: U Khin Kyi, Wakema;
Joint General Secretary-1: U Myint Swe;
Joint General Secretary-2: U Maung Maung Myo Win, BS mathematics;
Members: U Thein Aung, Academy Award winning film director; U Tin Swe, Ma-ubin; U Thein Tun, alias U Awba; U Kyaw; U Chit Swe; and U Ohn Mya.

Trade Union Congress

*BK2612151688 Rangoon Domestic Service in Burmese
1330 GMT 26 Dec 88*

[Text] The request made by the Labor Party, Burma, which has its headquarters at No 84, Hume Road, Sanchaung Township, Rangoon Division, that it be permitted registration under a new name—the Trade Union Congress, Burma [TUCB]—has been agreed to and permitted registration as of 26 December in accordance with Section 5A of the Political Parties Registration Law. This was announced in Announcement No 173 of the Commission for Holding Democratic Multiparty General Elections.

The Trade Union Congress, Burma has been formed with the following Central Executive Committee:

Chairman: U U Tun, BA, BS, Georgetown University, former executive member of the old TUCB;

Vice Chairman: U Kyaw Thaug, former TUCB executive, First Grade Independence Mawgun Award winner;

Vice Chairman: U Tin Myint, former TUCB executive for Daik-u Township, First Grade Independence Mawgun Award winner;

General Secretary: U Soe Nyunt, BA R.L., advocate;

Joint General Secretary: U Khin Maung Gyi, former secretary for Ahlone Subtownship of the Antifascist People's Freedom League;

Members: U Ba Than, BA, BL, advocate; U Tun Tin; U Soe Hlaing, secretary for electricity workers; U Than Maung; U Chit Hlaing; U Kyaw Thaug; U Than Myint; U Tun Khin; U Khin Kyi; and Daw Khin Than Win.

More Political Parties Issue Objectives

Shan State Kokang Democrats

*BK2412105888 Rangoon Domestic Service in Burmese
1330 GMT 22 Dec 88*

["Press Release No 168/88 of the Commission for Holding Democratic Multiparty General Elections, dated 22 December—the 14th day of the waxing moon of Nadaw, 1350 Burmese era"]

[Text] 1. The following are the extracts of the objectives and future programs of the Shan State Kokang Democratic Party, which has registered with this Commission for Holding Democratic Multiparty General Elections in accordance with the Political Parties Registration Law, and which has its headquarters at No 528-D, Hsenwi Street, No 12 Ward, Lashio Township, Shan State.

2. Aims

- A. To establish lasting independence and perpetuation of the Union of Burma.
- B. To reform the narrow and outmoded political outlook and to practice a democratic state with a modern and progressive political outlook in the interest of the country.
- C. To accurately follow and practice a free economic system patterned after the modern and developed economy of the world.
- D. For all national people of the Union to enjoy equal rights without discrimination as to race, religion, and class.
- E. To construct an independent and nonaligned country.

3. Programs

- A. To strive for full enjoyment of genuine democratic rights reflecting the unity of the national people and enjoyment of equal rights by all people without discriminating as to race, religion, and class.
- B. To forever strive for lasting independence and sovereignty of the Union of Burma.
- C. To ensure workers, peasants, and the entire people enjoy equal rights.
- D. To preserve and promote language, literature, and traditional culture of national people.

E. To strive for a Union which is peaceful and prosperous and the richest in the world.

F. To work for eradication of cultivation of narcotic drugs which is threatening the entire working people with genocide.

G. To conduct friendly relations with all countries of the world, especially the neighboring countries and to have political, economic, and cultural relations with them.

United Force Party

*BK2412112488 Rangoon Domestic Service in Burmese
1330 GMT 22 Dec 88*

["Press Release No 170/88 of the Commission for Holding Democratic Multiparty General Elections, dated 23 December—the 15th day of the waxing moon of Nadaw, 1350 Burmese era"]

[Text] 1. The following are the extracts of the objectives and future programs of the United Force Party, which has registered with this Commission for Holding Democratic Multiparty General Elections in accordance with the Political Parties Registration Law, and which has its headquarters at No 8, 10th Ward, Mahlaing Township, Mandalay Division.

2. Aims

A. To strive for development of the Union of Burma within the framework of democracy.

B. To conduct democratic negotiations to obtain internal peace through peaceful means.

C. To reform the outmoded educational, economic and cultural outlook, the laws, the Constitution, and foreign policies.

3. Programs

A. To construct a peaceful and independent country based on democracy.

B. To work for a free economic system.

C. To draft and promulgate a new constitution in accordance with the wishes of the people.

D. To work for every citizen to enjoy free education and medical care.

E. To cooperate with international economic organizations and economic cooperation organizations in the interests of the state.

Kokang Democracy-Unity Party

*BK2412115588 Rangoon Domestic Service in Burmese
1330 GMT 23 Dec 88*

["Press Release No 171/88 of the Commission for Holding Democratic Multiparty General Elections, dated 23 December—the 15th day of the waxing moon of Nadaw, 1350 Burmese era"]

[Text] 1. The following are the extracts of the objectives and future programs of the Kokang Democracy and Unity Party, which has registered with the Commission for Holding Democratic Multiparty General Elections in

accordance with the Political Parties Registration Law, and which has its headquarters at No 320, Hsenwi Street, Ga-nge Ward, Lashio Township, Shan State.

2. Aims:

A. To strive for perpetuation of a democratic system and sovereignty and perpetuation of the country.

B. To strive for unity of the national people of the Union of Burma without discrimination as to race and religion.

C. To obtain full equal rights and human rights for the Kokang people within the framework of law.

3. Programs:

A. To work for internal peace as a political party so as to perpetuate the union;

B. To give priority to work for local peace, tranquillity and the prevalence of law and order in Kokang region;

C. To encourage, support, and assist promotion of modern agriculture, livestock breeding, and industrial development in the Kokang region.

D. To provide modern education to national people, including the people of Kokang region.

E. To upgrade the living, education, and health standards of the national people, including the people of Kokang region.

Democratic Action Party

*BK2512083488 Rangoon Domestic Service in Burmese
1330 GMT 24 Dec 88*

["Press Release No 174/88 of the Commission for Holding Democratic Multiparty General Elections, dated 24 December—the 1st day of the waning moon of Nadaw, 1350 Burmese era"]

[Text] 1. The following are the extracts of the objectives and future programs of the Democratic Action for Burma, which has registered with this Commission for Holding Democratic Multiparty General Elections in accordance with the Political Parties Registration Law, and which has its headquarters at Building No 755, corner of Bo Bahtoo Street, 21, Razak Street, North Chanmyathazi, Southeast Mandalay Township, Mandalay Division.

2. Aims

A. To work together with the people for the revival of democratic rights.

B. To work for the emergence of a popular government that is based on the masses who recognize and respect democratic rights.

C. To work to consolidate the unity of all the national groups within the country.

D. To organize and to work for peace in the country and the world in general.

3. Programs

A. To work for the consolidation and perpetuity of the independence and sovereignty of the Union of Burma.

B. To practice an open-door economic policy with all nations for the development of the country and to work through a three-pronged approach—the public, the cooperatives, and the private sectors.
C. To provide free higher education for all citizens and to impose a compulsory primary-level education.
D. To work through plans for the promotion of family health for all the people without discriminating between rural and urban areas.
E. To promote the role of peasants in transforming from manual to mechanized farming in the country.
F. To apply modern techniques in boosting and extending electrical power usage in the industrial sector.
G. To strictly adhere to a nonaligned and neutral foreign policy, and to establish friendly ties with neighboring countries so as to coexist with them in peace and friendship eternally.

AFPFL's Youth Organization

BK2512082588 Rangoon Domestic Service in Burmese
1330 GMT 24 Dec 88

["Press Release No 173/88 of the Commission for Holding Democratic Multiparty General Elections, dated 24 December—the 1st day of the waning moon of Nadaw, 1350 Burmese era"]

[Text] 1. The following are the extracts of the objectives and future programs of the Youth Organization of Anti-fascist People's Freedom League [AFPFL], Original, Burma, Headquarters, which has registered with the Commission for Holding Democratic Multiparty General Elections in accordance with the Political Parties Registration Law, and which has its headquarters at No 84, Hume Road, Sanchaung Township, Rangoon Division.

2. Aims:

A. For all the national people who reside within the Union of Burma to build a prosperous Republic of the Union of Burma through democratic means;
B. To foster youths today to become dependable for the present tasks of the mother country as well as to make them outstanding leaders for the tasks that lie ahead in the future.
C. To employ capable and good people to draft and implement democratic policies and to apply them in the political, economic, social, and all other matters of the country.
D. To build peace and to work for the growth and expansion of democracy in the country.

3. Programs:

A. To utilize machinery in the farming of existing farmland and unexploited virgin land.
B. To grant conditional ownership of land in accordance with the slogan: The tillers shall be owners of land.
C. To promote the life of factory workers to the stage of making them shareholders in the factory, and to implement through plans the motto: wealth to both the owners and the workers.

D. To further develop the free education system and to prescribe curricula aimed at all-round development of students and youths.

E. To act against the currently rising prices by facilitating transportation and regulating the free and smooth flow of goods.

F. To obtain unattached overseas aid, and to grant operating rights for a specific number of years to the public, the cooperatives, and the private sectors.

G. To establish friendly relations with world nations and to freely make decisions depending on prevailing conditions on world issues.

League for Democracy, Peace

BK2612094888 Rangoon Domestic Service in Burmese
1330 GMT 25 Dec 88

["Press Release No 176/88 of the Commission for Holding Democratic Multiparty General Elections, dated 25 December—the 2d day of the waning moon of Nadaw, 1350 Burmese era"]

[Text] 1. The following are extracts of the objectives and future programs of the League for Democracy and Peace, which has registered with this Commission for Holding Democratic Multiparty General Elections in accordance with the Political Parties Registration Law, and which has its headquarters at No 10, Wingaba Road, Bahan Township, Rangoon Division.

2. Aims:

A. To safeguard the fundamental rights of mankind.
B. To build and work by an economic system that is on a par with international standards.
C. To strive for peace in the Union of Burma and the world in general by upholding the five Bandung principles.
D. To build unity among all the national people regardless of their race or religion.

3. Programs:

A. To revise the 1947 Constitution so as to further the unity of all the national people as well as to keep it in line with the concrete conditions of today.
B. To strive to uplift the moral, spiritual, and physical qualities of youths as it is our belief that the prosperity of the nation in the future is totally in the hands of youths.
C. To freely permit the formation of trade unions and public service organizations and to protect the rights of workers.
D. To grant ownership of land to the tillers, to permit the free cultivation of crops, and to permit the free sale and pricing of crops.
E. To practice a free market system as a means of preventing the reemergence of state capitalism; to freely permit, without any restriction, the development of industries and local and foreign trade, and to encourage joint ventures and investments by foreign and local concerns.
F. To win the respect of the international community by firmly grasping an independent and active foreign policy.

G. To provide free education from the primary to the higher education levels, and to strive toward eliminating illiteracy.

H. To permit freedom of the press and to place the broadcasting and television services under an organization free of government control.

All Burma Youth League

*BK2612095288 Rangoon Domestic Service in Burmese
1330 GMT 25 Dec 88*

["Press Release No 175/88 of the Commission for Holding Democratic Multiparty General Elections, dated 25 December—the 2d day of the waning moon of Nadaw, 1350 Burmese era"]

[Text] 1. The following are extracts of the objectives and future programs of the All Burma Youth League Headquarters, which has registered with this Commission for Holding Democratic Multiparty General Elections in accordance with the Political Parties Registration Law, and which has its headquarters at No 74, 27th Street, Pabedan Township, Rangoon Division.

2. Aims:

- A. To strive for the perpetuity of, and for peace and prosperity within the Union of Burma.
- B. To work for the attainment, perpetuity, and growth of democratic rights.
- C. To work to promote the moral, spiritual, physical, and other qualities of youths of both sexes and to make them good leaders of the future.
- D. To develop the political, economic, education, health, and social life in the country.
- E. To strive for peace and prevention of war all over the world.

3. Programs:

- A. To strive for unity, mutual cooperation, equality, and eternal friendship among all national groups.
- B. To encourage and work for freedom, equality, mutual respect, and friendship among world nations.
- C. To promote the public, the cooperatives, and the private economic sectors as well as joint economic ventures among themselves as a means of bringing down prices and resolving the unemployment problem.
- D. To give priority to the study of modern sciences, elimination of illiteracy, and to the introduction of free education.
- E. To ensure public health facilities are equally available throughout the country.
- F. To provide training and education so that youths of both sexes will be qualified in all aspects and will avoid pursuing selfish interests and privileges.

Union National League

*BK2712080688 Rangoon Domestic Service in Burmese
1330 GMT 26 Dec 88*

["Press Release No 177/88 of the Commission for Holding Democratic Multiparty General Elections, dated 26 December—the 3d day of the waning moon of Nadaw, 1350 Burmese era"]

[Text] 1. The following are extracts of the objectives and future programs of the Union National League, Burma, which has registered with this Commission for Holding Democratic Multiparty General Elections in accordance with the Political Parties Registration Law, and which has its headquarters at No 56B, Aung Mingala-3 Street, Taungthugon Ward, Insein Township, Rangoon Division.

2. Aims

- A. To practice a genuine and just democratic system, and to build the Union into a developed, peaceful, and prosperous nation.
- B. To establish unity among all the national groups and to ensure they work hand in hand and on the basis of equality as a single entity.
- C. To maintain and safeguard independence and to work toward friendship and peace at home and abroad.
- D. To work in alliance with any party that is respected by the people and that can help realize the dreams of the people.

3. Programs

- A. To establish friendship and to cooperate with neighboring countries and to promote equitable trading with them.
- B. To obtain aid and assistance through mutual consultation with foreign countries.
- C. To make legal arrangements and easy access for people wishing to travel, work or study abroad.
- D. To ensure farmers enjoy just rights and benefits, and to work towards transforming manual farming to mechanized farming.
- E. To introduce free education from primary to higher education levels and to ensure academic studies of modern subjects remain pleasant.
- F. To open hospitals and dispensaries down to the ward and village levels and to provide sufficient medicine and free medical care for all.

Peasants, Workers Development

*BK2712160788 Rangoon Domestic Service in Burmese
1330 GMT 27 Dec 88*

["Press Release No 179/88 of the Commission for Holding Democratic Multiparty General Elections, dated 27 December—the 4th day of the waning moon of Nadaw, 1350 Burmese era"]

[Text] 1. The following are the extracts of the objectives and future programs of the Peasants and Workers Development Democracy League, which has registered with this Commission for Holding Democratic Multiparty

General Elections in accordance with the Political Parties Registration Law, and which has its headquarters at Maha Aungtheikdi Hill, Paletwe Myothit, Mingaladon Township, Rangoon Division.

2. Aims

A. To build a genuine democratic nation on the foundation of national unity.

B. To work toward ensuring that all the people, regardless of race or religion, enjoy their human rights in accordance with international laws on human rights.

C. To strive to turn the nation as soon as possible into an industrialized and prosperous country.

D. To always keep in sight the task of perpetuating the independence of the nation.

E. To promote international relations on the basis of a progressive and independent foreign policy.

3. Programs

A. To build a prosperous and peaceful country through a genuine democratic system, on the basis of the national unity and in accordance with the code of behavior that prevailed during the struggle for independence.

B. To build an economy with a four-pronged approach—promoting the public, the cooperatives, and the private sectors and their joint ventures.

C. To practice a progressive and independent foreign policy.

D. To raise social standards through a momentum derived from economic gains and to strive to ensure that all the people fully enjoy human rights.

E. To eliminate illiteracy, introduce compulsory education from the primary to higher levels, and to implement an education system that would contribute to the development of industries.

F. To work to ensure that medical care is equally provided at people's hospitals down to the village level to all the people regardless of race, religion or social standing.

G. To provide the right to freedom of worship to all Buddhists as well as people of all other religious faiths.

H. To work for the development of agriculture through mechanized farming, and to ensure farmers fully enjoy the right to own land and to trade freely.

I. To provide opportunities to all blue- and white-collar workers, technicians, and the intelligentsia to contribute their labor in the constructive tasks of the state, and to resolve unemployment problems by working toward industrialization.

People's Justice Party

BK2812081488 Rangoon Domestic Service in Burmese
1330 GMT 27 Dec 88

["Press Release No 180/88 of the Commission for Holding Democratic Multiparty General Elections, dated 27 December—the 4th day of the waning moon of Nadaw, 1350 Burmese era"]

[Text] 1. The following are extracts of the objectives and future programs of the People's Justice Party, which has registered with this Commission for Holding Democratic Multiparty General Elections in accordance with the Political Parties Registration Law, and which has its headquarters at No 155, Nyandaw Ward, Maymyo, Mandalay Division.

2. Aims:

A. To establish and develop the Union of Burma on the foundations of a just democratic system.

B. As the Union is a family of nationalities, all national groups are to work together in domestic matters in the interest of the Union.

C. To strive to the utmost for peace in the country.

D. To strive to the utmost to prevent division within the country.

E. To be decisive and bold in the interest of the Union in international relations.

F. To cooperate with world nations for international peace.

3. Programs:

A. To guarantee through the state constitution the just rights of the people.

B. To practice a jury system in judicial proceedings to ensure justice is done.

C. To establish an independent economic system, abolish the cooperatives, and to permit the operation of only the private and state sectors and joint ventures between them.

D. To grant land ownership to the tillers and to provide freedom in cultivation, production, distribution, and sale of agricultural crops.

E. To strive to the utmost to promote the standard of living and assure a pleasant life for the workers and their dependent families.

F. To permit youths to study subjects of their own choice and to send outstanding scholars abroad for further studies.

G. To be honorable and decisive in foreign relations and to cooperate with world nations in the pursuance of world peace and international security.

Daw Khin Kyi Dead; Funeral Planned for January
BK2712150088 Rangoon Domestic Service in Burmese
1330 GMT 27 Dec 88

[Text] Maha Thiri Thudama [honorific title] Daw Khin Kyi, wife of late national leader and founding father of the Defense Forces, General Aung San, and retired ambassador to India and Nepal, passed away at her residence at No 54/56, University Avenue, Rangoon, at 0717 today.

Daw Khin Kyi passed away in the presence of her daughter, Daw Aung San Suu Kyi, who is the general secretary of the National League for Democracy.

Daw Khin Kyi's son, U Aung San U, resides in the United States.

Daw Khin Kyi's funeral is planned for 2 January 1989.

Military, Mons Make 'Deal' Against Karens
*BK2512020488 Bangkok BANGKOK POST in English
25 Dec 88 p 2*

[Text] Three Pagoda Pass—The Burmese military has made a secret deal with Mon rebels that will allow government forces to concentrate their effort against Karen rebels, a Mon army unit commander disclosed yesterday [24 December].

The source is a former Kuomintang (KMT) officer now in charge of a small Mon army unit based opposite Kanchanaburi's Thong Phaphum District.

He said the Burmese have agreed to leave the Mon rebels alone if they cooperate with them when they launch a major offensive aimed at wiping out the Karens.

When the Burmese are ready, he said, messages will be sent in advance to Mon rebels based along the Thai-Burmese border to open the way for Burmese troops to attack the Karens through Three Pagoda Pass.

Mon and Karen rebels fought a heavy battle in July and August this year. Their fighting spilled over into Thai territory at Ban Phra Chedi Sam-Ong, causing damage to Thai villagers' homes and government buildings worth about 12 million baht.

More than 100 rebels on both sides were killed during the clashes and several hundred of their families were left homeless before the rival forces agreed to make peace.

But according to the former KMT officer, the Burmese military has sought Mon rebels' cooperation against the Karens.

The officer said that there are now more than one hundred armed men in his unit and that the group is giving military training to try to increase its strength further. [sentence as published]

He denied that his group was involved in black marketeering at the border. "Our group makes a living by trading across the border, including cattle trading," he said.

The former KMT officer said that although his group does not have direct support from the Taiwanese government, the Mon rebels as well as Burmese students who have taken refuge in Mon-controlled areas have been receiving donations from Taiwan regularly.

Cambodia

Thai Premier Remarks on Possible Hun Sen Visit
*BK2612160688 Phnom Penh SPK in English
1404 GMT 26 Dec 88*

[Text] Phnom Penh, SPK December 26—Thai Prime Minister Chatchai Chunhawan said at a press conference in Bangkok last Thursday that Chairman Hun Sen of the People's Republic of Kampuchea would be "welcome if he would like to come to Bangkok".

According to foreign sources and quoted by VNA, the Thai prime minister also reaffirmed his desire to hold talks with Vietnam for close cooperation with Thailand. "Rapprochement with Vietnam is one of my priorities", he stressed.

Chatchai Chunhawan added that he would be prepared to visit Hanoi in order to improve a political climate after a scheduled visit by Thai Foreign Minister Sitthi Sawetsila next month.

SPK Notes Ali Alatas Remarks on Jakarta Meeting
*BK2712070088 Phnom Penh SPK in English
0515 GMT 27 Dec 88*

[Text] Phnom Penh SPK December 27th—ASEAN members remain convinced that the Jakarta informal meeting (JIM) on Kampuchea is a significant process towards finding a solution to the Kampuchean conflict, Indonesian Foreign Minister Ali Alatas was quoted by BERNAMA as saying Friday.

He said the ASEAN countries were not against the convening of an international conference because "we realize that the regional countries alone cannot solve the problem of Kampuchea comprehensively as there are international aspects to that problem that can only be tackled through an international conference."

"Therefore, Indonesia at least and ASEAN as a whole and the other participants of JIM remain convinced that we should continue our efforts within the JIM process. We should meet as planned sometime in February and should all endeavour together to come and make sure that JIM-2 will achieve substantial progress towards an overall comprehensive solution," Alatas said at his weekly press conference in Jakarta.

He added that it was not the right attitude for countries in the region to wait for major powers to find a solution to a regional problem.

Sor Sann Interview on Solving Cambodian Issue
BK2812095588 (Clandestine) Voice of the Khmer
in Cambodian 0430 GMT 28 Dec 88

[Station correspondent's interview with KPNLF President and CGDK Prime Minister Son Sann—recorded; date not given]

[Text] [Correspondent] I am a correspondent of the radio Voice of the Khmer. My respects to His Excellency Son Sann, president of the KPNLF and prime minister of the CGDK. Please, allow me to ask you the following questions relating to various events in the search for a solution to the Cambodian problem. Over the past few months, there have been many activities in the search for a solution to the Cambodian problem. Do you have anything to tell our compatriots about this search?

[Son Sann] As all our compatriots know, for the past year the international community, including our friends in the free world as well as our Chinese and ASEAN friends, has made a joint effort to find a solution to the Cambodian problem. You also know about the summit meeting of Samdech Norodom Sihanouk following the vote at the United Nations. In November, as you all know, 122 countries in the United Nations voted in support of Cambodia, demanding that Vietnam withdraw its troops, that Vietnam come to the negotiating table, that the Cambodian people be allowed to determine their own destiny, and that the genocidal regime be prevented from returning to power. Immediately after that there was a meeting under the chairmanship of Samdech Norodom Sihanouk at Fere-en-Tardenois, France, where I was fortunate enough to join Samdech Sihanouk and hold talks with Hun Sen. There, Samdech Sihanouk and I had a complete identity of views on all five points and more. However, Hun Sen had different views. He disagreed with and rejected everything, making the November summit in France a complete failure.

Recently in Bangkok, the six ASEAN countries held a meeting to which Samdech Norodom Sihanouk's representative Prince Ranariddh, Khieu Samphan, and myself were invited so that they could learn about our position—the position of the tripartite resistance—regarding another meeting, namely the second Jakarta informal meeting [JIM II]. As you know, we met once at Bogor and after the Bogor meeting there was the Jakarta meeting of the working group, which was not successful because Hun Sen and Hor Nam Hong were too inflexible, refusing to make any concession. During the 21 December meeting, we informed the six ASEAN friends that we should let the working group in Paris meet first just in case Hun Sen's representative Hor Nam Hong might come up with something new and let China and the Soviet Union continue their discussion to demand Vietnam to withdraw its troops as soon as possible. We urged our ASEAN friends not to hurry in holding the JIM II meeting and to let Samdech Sihanouk in Paris and China and the Soviet Union finalize their talks first.

Recently, yesterday to be exact, our tripartite coalition government also held a meeting and discussed all these problems. We then requested that the JIM II should be adjourned. Why? Because, in France, Hor Nam Hong held a useless meeting with the representatives of the factions of Samdech Norodom Sihanouk, our front, and Khieu Samphan. Hor Nam Hong remained intransigent, refusing to be flexible or to accept any point of the five-point final proposal of Samdech Norodom Sihanouk that has been made public to the world. Nevertheless, I am still hopeful that soon the ASEAN countries will give us a helping hand. Thailand or Jakarta will contact Vietnam and demand that it quickly withdraw its troops from Cambodia.

[Correspondent] Thank you, excellency. I have heard that the Hanoi government is now experiencing dire difficulties in the economic, political, and military fields. As a result, whether they like it or not, the Vietnamese will have to withdraw their troops from Cambodia one day. Therefore, can Your Excellency inform our Cambodian compatriots of the KPNLF position, of its plan to reorganize the country following the withdrawal of the Vietnamese troops from Cambodia?

[Son Sann] As the radio Voice of the Khmer said, Vietnam is facing difficulties. Because of international pressure, because of the pressure from the United Nations, the United States, Europe, ASEAN, China, and the Soviet Union, Vietnam will probably agree to make preparations for its withdrawal. However, my opinion is that Vietnam is preparing to withdraw its troops but it is also making preparations for returning.

Allow me to say something to all compatriots, including those in the interior of the country: All of us Cambodians must firmly grasp the situation. Allow me to recall the lessons of Cambodian history. I am not going to talk about the lessons of our ancient history. All of us know that our country was invaded and subjugated twice and each time we were fortunate to survive because we were united as a single body. I want to talk instead about the recent past. Because from 1970 to 1975, as all of you especially those in Phnom Penh know, we did many wrong things, we worked dishonestly. In the army, we did not have a good chief to fight the enemy. Because of the lack of honesty, because of too many violations of human rights, the Khmer Rouge succeeded in seizing power. txt

When the Khmer Rouge came to power, they committed many serious wrongdoings. They even committed genocide, giving the Vietnamese an important pretext to invade and occupy Cambodia since the end of 1978. Now the Vietnamese are preparing to withdraw their troops. They in fact have withdrawn troops from some places. However, they have left behind other troops, introducing them into the army of Heng Samrin. They have resorted to many tricks to naturalize their citizens into Cambodians [words indistinct]. If those in power abused power and persecuted the people again, Vietnam would return. Those who said that they have changed,

that now they respect religion, that now they respect the family institution, and that they prefer a free world economy must do what they profess to believe in. If they only talk and do not do what they promised to do, Vietnam will take our country again, and this time no foreign countries will help us as they do now. Now we enjoy support from all sides. This is on the one hand.

On the other hand, according to my expectation, if those gentlemen of the DK—the Khmer Rouge—understand their duty and, as they have repeatedly declared to us, no longer do anything wrong against the nation, there will be another chance to [words indistinct] the people will no longer support them and Vietnam will return to occupy Cambodia again. All of us must be careful about this. It is one of those things about which I would like to inform our compatriots in the interior of the country. Of course, I know that the compatriots in the interior are nationalists, respect religion, and love freedom and human rights. All of us must join hands in preventing any genocidal regime from returning to power, anyone who blindly persecutes the people and who is selfish from ruling our country so that our country, with the support of the international community, can enjoy genuine independence and become neutral as we will not be party to any bloc or alliance, will not regard any country as our enemy, will consider all neighbors as our friends, and will have human rights, freedom, religion, democracy as in the free world so that all our brothers can be united and enjoy peace and happiness forever.

[Correspondent] Thank you, excellency. Vietnam has been using the Khmer Rouge as an object of fear to frighten the people. Does the KPNLF have anything to show to the Cambodian people so that they would not be overly worried about this matter following a political solution to the Cambodian problem?

[Son Sann] This question [words indistinct] is of great interest. For this reason, in Samdech Norodom Sihanouk's five points which our front resolutely supports, we demand the dissolution of the Phnom Penh regime [words indistinct] installed by Vietnam as well as the dissolution of the regime of the DK, namely the Khmer Rouge. We also demand the formation of a quadripartite coalition government [words indistinct] grouping the faction of Samdech Norodom Sihanouk, our front, those from the DK or the Khmer Rouge, and the faction of Heng Samrin to organize the elections [words indistinct] for our people to hold general elections. At that time, I am convinced that our people would not elect any former government which committed genocide against the nation [words indistinct] to prevent the dreaded regime from returning. Now, the Khmer Rouge have agreed to this idea. And we do not make empty promises. We ask foreign countries to supervise the withdrawal of the Vietnamese troops, the cease-fire, and the elections and there will be an international peacekeeping force in Cambodia during the elections. On this point Samdech Norodom Sihanouk and I agree with each other.

I would like to take this opportunity to inform all our compatriots that now Samdech Norodom Sihanouk and I, Son Sann, president of the KPNLF after meeting each other both in France and elsewhere had the same views. We [words indistinct] Samdech Norodom Sihanouk informed the diplomatic envoys in France of the six ASEAN countries and other friends, such as China, Europe, and all the superpowers, that his five-point proposal must be taken as the basis for the future solution to the Cambodian problem and that he prefers a democratic regime as in the Free World, freedom, and a liberal economic system. He also made known to all these countries that now Son Sann's group and himself are in full agreement with each other. He also confided to the Indian minister, to everybody as a matter of fact, that he planned to make me his future prime minister in order to [words indistinct] as in the free world, with popularity, freedom, religious freedom, and democracy as in the free world, with a liberal economic system as in the free world, and with prosperity and happiness. This is what I have to inform all compatriots. This is indeed something that will happen in the future, but we must think about it from now on so that we can realize it as all of us want and can prevent those who we do not want to return from returning.

[Correspondent] Thank you, excellency. In conclusion, do you have anything else to address to our compatriots?

[Son Sann] I take this occasion to extend my best new year greetings to all compatriots. May the common wish of all of us Cambodians be fulfilled. My hope is that in the new year we will [words indistinct] with the help of all foreign friends including the free world, ASEAN, China, and the Soviet Union. My only new year wish is that anything all Cambodian brothers inside Cambodia, abroad, and along the border wish will be fulfilled. This is also meant for the brothers in the front, those at [words indistinct], at Prey Pou, or at Sok Sann [words indistinct] so that our country can be liberated and our front be vigorous, prosperous, and well disciplined again. May all your wishes be fulfilled.

SRV Said Committed to Continuing Occupation
BK2412013688 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 23 Dec 88

[Text] During the meeting of the quadripartite working group in Paris on 22 December, the representatives of the three parties in the CGDK put forth Samdech Sihanouk's five-point peace proposal as the basis for a solution to the Cambodian problem. However, the Vietnamese puppet rejected the five-point proposal. This shows that Vietnam's stance regarding the Cambodian problem remains unchanged: Vietnam is bent on its aggression against and occupation of Cambodia.

VONADK on SRV 5th Division Withdrawal Claim
BK2712032088 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 26 Dec 88

["News commentary": "The Hanoi Vietnamese Enemy Aggressors Deceitful Maneuvers Have Been Laid Bare"]

[Text] On 10 December 1988, the Hanoi Vietnamese enemy aggressors announced that their 5th Division—also known as the 75th Division—had been repatriated to Vietnam together with the 4th, 307th, 315th, 309th, and 339th Divisions.

In fact, not a single man of this 5th Division alias 75th Division has been withdrawn from Cambodia.

The Cambodian people and the National Army of Democratic Kampuchea [NADK], which are fighting arduously and fiercely to defend the Cambodian nation and race, have seen and even engaged in fighting with this 5th Division alias 75th Division every day. They know very well that this 5th Division alias 75th Division is still deployed and launches activities on the Sisophon battlefield in Battambang Province.

The manpower of this 5th Division has been attacked and decimated successively by our NADK. This is why during the 10th rainy season in 1988, the 479th Command of the Vietnamese aggressor troops dissolved this 5th Division alias 75th Division and turned it into a regional division. So far, this 5th Division or 75th Division comprising five regiments has conducted activities as follows:

1. The 4th Regiment and its tanks were pulled out of Phnum Srok District and sent to hide in the area north of Route 6 for use in resisting our national army in this area.
2. The 174th Regiment was withdrawn from Prey Andong Bar in Ampil District to launch activities in Sisophon District.
3. The 19th Regiment previously stationed in Svay Chek has been maintained there.
4. The Independent Regiment which is directly commanded by the 479th Command was withdrawn and sent to launch activities in areas north of Siem Reap. The wounded and disabled soldiers sent to Phnom Penh from this regiment were replaced by fresh troops from Phnom Penh.
5. The 29th Regiment has launched activities to resist our NADK in the area north of Thmar Puok.
6. The 16th Regiment in cooperation with the 19th Regiment has launched activities against our forces in Svay Chek.

In addition to this, this 5th Division alias 75th Division has sent a part of its forces to assist the 330th Division, 339th Division, a division of Vietnamese troops in

Cambodian soldiers' uniforms combined with the Cambodian soldiers called the 95th Division, and other divisions in resisting the NADK on Peam Ta, Samlot, and Pailin battlefields.

This evidence clearly shows that the Hanoi Vietnamese enemy aggressors have not withdrawn a single Vietnamese soldier from Cambodia.

Their announcements on the partial or total withdrawals of troops this or that date and by this or that year, and the parades of withdrawing Vietnamese troops through this or that area are just aimed at fooling others. No one believes the Vietnamese words.

Both national and international opinion hold that it is necessary to vigorously increase all kinds of pressure on the Hanoi Vietnamese aggressors in order to force them to withdraw their aggressor troops from Cambodia in accordance with a clear timetable and under international supervision.

Indonesia

Alatas To Contact CGDK About Postponement
BK2612152688 Jakarta Domestic Service in Indonesian 1500 GMT 26 Dec 88

[Text] Indonesia will contact leaders of the CGDK in connection with the proposal of the Cambodian guerrilla group for the postponement of the second Jakarta informal meeting [JIM]. Foreign Minister Ali Alatas told newsmen in Jakarta this evening that his side would still try to contact Prince Sihanouk to convey Indonesia's views on the second JIM.

The second JIM, which was earlier scheduled to take place next February, has to be postponed at the request of the CGDK made in a written statement signed by Khieu Samphan; Prince Rannariddh, a Sihanouk supporter [as heard]; and Son Sann. The postponement of the second JIM was based on the inflexible stand of the Vietnamese-supported Phnom Penh [regime] during the talks in Paris last month.

Armed Forces Head on East Timor Status
BK2612102688 Jakarta ANTARA in English 0929 GMT 26 Dec 88

[Text] Dili (East Timor), December 26 (OANA-ANTARA)—Armed Forces Commander General Try Sutrisno has said, that it is more proper to say that "equal status" as the other provinces in Indonesia will be given to East Timor than to use "opening up of East Timor", because East Timor has never been declared a closed province.

The equal status, pursuant to Law No 5 of 1974 on basic administration in the regions, gives the East Timor Administration the authority to manage and to carry out

this region's development program, the Armed Forces commander said when asked by ANTARA correspondent Parni Hadi here on Monday [26 December].

The equal status which will take effect as of January 1, 1989, the Armed Forces commander said, has been made possible because the security condition in East Timor is a [words indistinct] and under control due to the participation of all parties.

Before the granting of the equal status, he continued, East Timor was declared as a 'special region', because as a newly created province it needed integrated, coordinated and concentrated efforts in the planning and implementation of its development.

To synchronize planning and implementation of the development an East Timor development supervisory team had been established. The situation in East Timor has become at present normal as in other provinces, hence the management of this province will be handed over to the provincial administration, he added.

He reminded however, that interagency coordination at regional level is still needed.

The Armed Forces commander explained that the equal status will open the opportunity for the East Timorese people to visit other Indonesian regions and vice-versa people from other regions to visit East Timor.

"This will further strengthen their brotherly ties with their compatriots, and as such the nationalism and patriotism of the East Timorese people, he added.

State Employees Disciplinary Action Reported
BK2612124888 Jakarta Domestic Service in Indonesian
1200 GMT 26 Dec 88

[Text] A total of 1,112 employees from the Department of Tourism, Posts, and Telecommunications have faced disciplinary action between April and this month. Six other employees have faced criminal charges.

At a year-end news conference in Jakarta this morning, Minister of Tourism, Posts, and Telecommunications Susilo Sudarman said that apart from imposing disciplinary action, the government has also given good performance citations to 102 employees of the same department. Minister Sudarman added that this year, the department had exerted more efforts to supervise its employees through built-in and functional control system as well as from direct complaints and parliament members.

Floods Will Not 'Significantly' Affect Rice
BK2512054088 Jakarta ANTARA in English
0512 GMT 25 Dec 88

[Text] Jakarta, December 25, (OANA-ANTARA)—Director General of Food Crops Ira Muin Pabinru has said that floods which recently hit various parts of the country will not significantly affect the country's rice production target.

The 1988/1989 planting season just started last October. "Therefore, the affected rice-farm can be replanted", Pabinru said here on Saturday.

Paddy, which was planted three weeks before can hardly be affected by floods, he said, adding that those of more than three weeks will not be destroyed by flood water.

When the water recedes, paddy can even grow flourishly [as received] because floods will leave muds which contain natural fertilizers, he added.

However, Pabinru admitted that rice-fields in flood-prone areas such as Indramayu, Pemalang, Batang and Tangerang can seriously be affected.

He said he is still worried about heavy rain falls which may cause bigger losses and affect production cost.

"The best way for us is to wait till the rainy season is over before we replant paddy", he said.

He said that his office will try to increase the country's food crop production by about four percent.

"The Central Bureau of Statistics estimates the production of unhulled rice this year at 41.59 million tons, but I am optimistic that this figures will be exceeded", Pabinru concluded.

Laos

Souban Salitthilat, Delegation Leave for Bangkok
BK2712124488 Vientiane Domestic Service in Lao
0500 GMT 27 Dec 88

[Text] At 0900 today, the Lao-Thai joint border committee led by Souban Salitthilat, deputy foreign affairs minister and head of the committee, left for Bangkok, Thailand, to meet and hold negotiations with the Thai-Lao joint border committee as a result of the implementation of the Laos-Thai joint communique signed on 25 November 1988, aimed at turning the border between the two countries into a border of peace, friendship, brotherhood, and mutual happiness.

Speaking to the press at Wattai Airport, Vientiane, before departing for Bangkok, Souban Salitthilat said:

[Begin recording] (?As a matter of fact), the Lao-Thai joint border committee was just established recently in accordance with the spirit of the 25 November 1988 Laos-Thailand joint communique with a view to finding ways to settle border conflicts where they develop. I think that before making this trip to Bangkok, the Lao side has made up its mind that it would try to do everything to the best of its abilities to effectively contribute to making progress on the negotiation on the [current] border problem. We hope that on the basis of mutual understanding, sincerity, and cooperation, the Lao and Thai sides would cooperate and consult with each other so as to make this meeting an important step and as a contribution to a permanent settlement of this problem. (?With such a hope in mind), I think that the Thai side and the Thai Government would share a similar view because the current atmosphere of the relations is excellent. [end recording]

Decree Establishing Amity Group With Thailand
BK2712141388 Vientiane Domestic Service in Lao
1200 GMT 26 Dec 88

["Decree issued by the chairman of the Council of Ministers on the establishment of the Laos-Thailand friendship association"—dated 19 December]

[Text] To implement the foreign policy of the party and state aimed at increasingly strengthening the relations between the two governments and peoples of Laos and Thailand with every passing day, and to fruitfully and effectively realize the Laos-Thailand joint communique signed by the two prime ministers in November 1988, the chairman of the Council of Ministers issues the following decree:

Article 1: The chairman, vice chairman, and members of the Laos-Thailand friendship association are appointed as follows:

1. Sisana Sisan, chairman of the National Social Science Organization, as chairman;
2. Hiam Phommachan, vice chairman of the Lao committee for the defense of world peace and for solidarity and friendship with other countries, as vice chairman;
3. Maha Soulot Senkhamphon, standing member of the Lao Front for National Construction Central Committee, as member;
4. Ponmek Dalaloi, deputy minister of public health and social welfare, as member;
5. Mrs Vilaivang Phimmason, member of the Lao Women's Union Central Committee, as member;
6. Mrs Dala Kanla-gna, editor in chief of VANNASIN magazine, as member;
7. Boua-ngeun Saphouvong, head of the Lao art troupe, as member;
8. Viset Vengsouksa, chief of the foreign relations department of the Lao People's Revolutionary Youth Union Central Committee, as member; and
9. Dr Sikhamsat Mittalai, head of the Science Council of the Dong Dok Teachers Training College, as member.

Article 2: The said committee is authorized to outline the details of duties and the scope of activities of the national-level Lao-Thai cooperation committee for approval by the Council of Ministers.

Article 3: The foreign affairs minister is in charge of disseminating news on the establishment of this committee to all domestic and international organizations.

Article 4: This decree is effective on the day it is signed.

[Dated] Vientiane, 19 December 1988

[Signed] Kaysone Phomviharn, chairman of the Council of Ministers

Meets With Leaders

BK2812093288 Vientiane KPL in English 0917 GMT
28 Dec 88

[Text] Vientiane, December 28 (KPL)—Acting President of the People's Supreme Assembly of the Lao PDR [Sisomphon Lovansai] yesterday received a delegation of the foreign commission of the Thai parliament led by its president, Prasop Butsarakharn. The discussion proceeded in a friendly atmosphere of good neighbourliness.

The acting-president praised the visit to Laos by the Thai parliamentary delegation of the foreign commission, recalling the recent visit to Laos by the Thai prime minister, leading to the signing of a joint communique.

On the same day, the Thai delegation also visited Sisavat Krobounphan, mayor of Vientiane Prefecture.

Thai Parliamentary Delegation Arrives for Visit
BK2712151688 Vientiane Domestic Service in Lao
1200 GMT 27 Dec 88

[Text] This morning, the delegation of the Foreign Affairs Committee of the National Assembly of the Kingdom of Thailand, led by Prasop Butsarakharn, committee chairman, arrived in Vientiane to pay an official friendship visit to the LPDR from 27-29 December at the invitation of the SPC of the LPDR.

Welcoming the delegation at the Tha Deua Boat Landing in Hatsaifong District were Somphavan Inthavong, member of the SPC Standing Committee, and a number of cadres.

Friendship Soccer Match Played With Thai Team
BK2812101288 Vientiane KPL in English 0904 GMT
28 Dec 88

[Text] Vientiane, December 28 (KPL)—A friendship football match between the Lao team of the central Province of Khammouane and the Thai team of the Province of Nakhon Phanom took place in Khammouane on December 22.

The Lao team won the match with the score 2-1. The match proceeded in a good and friendly atmosphere.

This was the second friendly visit to Laos by the Thai team. The Thai team was led by its provincial governor, Mongkhon Khongsuwan, and accompanied by some Thai visitors.

The Thai team was warmly greeted by Inpong Khai-gnavong, the governor of Khammouane, and local residents.

Despite their visit was short, the event has strengthened good understanding and promoted the brotherly and neighbourly relations between the peoples of Laos and Thailand.

Meeting Studies Resolution on PRK National Day
BK2412100088 Vientiane KPL in English 0907 GMT 24 Dec 88

[Text] Vientiane, December 24 (KPL)—The Laos-Kampuchea Friendship Association (LKFA) opened its session here on December 23 under the chairmanship of Son Khamvanvongsa, alternate member of the LPRP CC [Central Committee] and president of the association.

The session studied a resolution of the Politburo [of the LPRP] Central Committee on the celebration of the 10th founding anniversary of the PRK (January 7/1979-1989), and a decision of the Secretariat of the party Central Committee to set up the association's branches in the southern Champassak and Attapeu Provinces.

Ways to ensure the successful celebration were also raised at the session. Present at the meeting was Kou Souvannamethi, minister of justice, vice-president of the LKFA together with other members of the association.

Kaysone Phomvihane Attends Emulation Meeting
BK2312124388 Vientiane Domestic Service in Lao 0000 GMT 22 Dec 88

[Excerpt] Recently, the first meeting of the two-good emulation combatants was held in Luang Prabang Province at the primary vocational training school.

Honorably attending the meeting was Comrade Kaysone Phomvihane, general secretary of the LPRP Central Committee and chairman of the Council of Ministers of the LPDR; Comrade Vongphet Saikueyachongtua, member of the party Central Committee, secretary of the provincial party committee, and chairman of the provincial administrative committee; Comrade Khamlet Saingnasit, member of the Supreme People's Council; and Comrade Bounkeui Khonsavan, representative of the frontline Organization; and the comrade two-good combatants from various services.

After Comrade Khamphuei Chanthasouk, standing member of the provincial party committee and the administrative committee and chairman of the presidium of the

meeting, read a statement opening the meeting, Comrade Vongphet Saikueyachongtua presented a report reviewing the achievements scored in the two-good emulation campaign in the province. [passage omitted]

Philippines

NPA 'Authorized' To Attack U.S. Bases, Firms
HK2812032388 Manila PHILIPPINE DAILY GLOBE in English 28 Dec 88 pp 1, 6

[By staff writer Julius F. Fortuna]

[Text] The Communist Party of the Philippines [CPP] has authorized its military arm the New People's Army, to attack U.S. bases and multinational companies if American intervention escalates in the counterinsurgency drive.

But the CPP also enjoined the NPA not to assassinate American servicemen and their dependents if they are on furlough.

This means that the CPP and its military wing, the New People's Army will not repeat the killing of two U.S. servicemen and one Filipino businessman of U.S. ancestry in the outskirts of Angeles City near Clark on October 28 last year.

A regional unit of the NPA admitted responsibility for the killing of Sgt. Randy Davis, Airman First Class Steven Front and businessman Joseph Porter.

The most recent CPP instruction prohibiting the killing of individual Americans and soldiers was relayed to units of the rebel army last December 26 by the Political Department of the CPP which controls rebel military operations.

The Political Department is composed of top party officials and has representatives in "fighting fronts" of the NPA, now numbering some 65 in 73 provinces.

However, NPA units have been given discretion to attack U.S. military installations in case of "escalation of U.S. intervention."

The NPA, which rebels claim to have 10,000 regulars with high-powered arms, has also been given the green light to attack multinational corporations to counter U.S. participation in the government's counter insurgency program.

"The CPP must be prepared to thwart every escalation of U.S. intervention and shift from the current civil war to a national war in case of an outright U.S. war of aggression," the CPP said.

The CPP said U.S. assistance to the "civil war" should be countered with "utmost determination."

Earlier statements of the CPP explained that the present scope of insurgency is limited to battles between Armed Forces of the Philippines and the NPA.

However, in a "national war," the NPA would be compelled to place the U.S. armed forces side by side with the AFP in what the rebels call the "people's war for national liberation."

The CPP statement said the NPA should prepare to immediately shift from civil war to national war in the not so distant future.

Cordillera Seeks Return of Camp John Hay
HK2812034188 Manila THE MANILA CHRONICLE
in English 28 Dec 88 p 1

[By staff member Johanna Son]

[Excerpt] The people of Cordillera want the U.S.' Camp John Hay in Baguio City returned to the Cordillera autonomous region when the bases treaty expires in 1991.

The transitory provisions of the draft organic act for an autonomous Cordillera provide that "In case of non-renewal of the RP [Republic of the Philippines]-U.S. Military Bases Agreement, such installations in the Cordillera as John Hay Air Station shall be turned over to the regional government."

Abrino Aydinan, chairman of the Cordillera Regional Consultative Commission [CRCC], yesterday said the prevailing sentiment of the Cordillerans consulted, as well as in the commission itself, was that no foreign military bases should stay in the region.

He argued that Camp John Hay, established by the Americans in the early 1900s, is located on land "that is part of Cordillerans' ancestral domain." The draft law declares as ancestral domain the entire Cordillera, with some exceptions.

Aydinan added that the CRCC felt that following the base's return to the Cordillerans, the land would be subjected to both commercial and industrial urban land reform.

He said the CRCC conceded that the National Government had final say on the bases fate, but explained that the draft organic act also requires the regional government to be consulted on any matter of foreign policy that would affect the region.

That means the Cordillerans' views would have to be sought in the Aquino Government's decision whether to keep or dismantle the bases when the treaty expires on Sept. 16, 1991.

The CRCCs desire to dismantle Camp John Hay, used as a rest and recreation area by American servicemen and a popular tourist destination, coincides with a resolution

filed by Sen. Ernesto Maceda last month, which seeks the return of two U.S. installations considered minor in the superpower's defense needs.

Resolution No 318 urges President Aquino to serve notice to the United States as soon as possible that the Philippines wants "full control, operation and management" of Camp John Hay and Wallace Air Station in La Union on Sept. 17, 1991, regardless of whether the treaty is extended or not.

Maceda's resolution proposes that John Hay station be used for housing and recreation of Filipino military officers.

Also at yesterday's wholeday hearing on the draft law by the Senate committee on local government, Nueva Ecija and Nueva Vizcaya officials expressed strong and emotional opposition to draft provisions which would carve out several barangays from their provinces for inclusion in two new provinces called Kalanguya and Amburay. [passage omitted]

Envoy to U.S. on Aid Plan, U.S. Bases
HK2412025588 Manila Far East Broadcasting
Company in English 2300

[Text] Philippine Ambassador to Washington Emmanuel Pelaez said President Reagan is set to announce in a major speech before bowing out of office in January next year the major role the United States will play on the Philippines' proposed \$10 billion multilateral aid initiative.

Mr Pelaez, spending his Christmas leave here, said the State Department officials told him that a meeting took place in Honolulu, Hawaii among Washington officials, Japan, and other would-be donor countries on the proposed \$10 billion financial assistance. The United States has eyed Japan as the project's biggest donor, along with the countries belonging to the European Economic Community.

At the same time, Ambassador Pelaez said plans should be made for the conversion of the U.S. military bases in the Philippines into economic projects, like transforming Clark air field into a major aviation site in the Pacific. Pelaez said the U.S. did not really need to keep the bases because Russia, regarded as a potential enemy for which the military installations exist, is already reducing its bases. The only purpose of these U.S. bases in the country, according to him, is to guard the sea lanes against the potential enemy, which is Russia. He added that since Russia is no longer an enemy, the United States does not have to spend money for these bases.

According to Pelaez, if the Philippines wants to terminate the RP [Republic of the Philippines]-U.S. bases agreement on September 16, 1991, President Aquino will have to give the notice of termination by 1990.

U.S. Said To Oppose Manglapus' Debt Solution
*HK2412050788 Manila Far East Broadcasting
Company in English 2300 GMT 23 Dec 88*

[Text] The Department of Foreign Affairs said the United States has opposed the declaration issued by Foreign Affairs Secretary Raul Manglapus at the 43d United Nations General Assembly. Entitled, External Debt Crisis and Development Towards Durable Solution of the Debt Problem, the resolution was based on Manglapus' call for a global solution of the international debt crisis in his speech at the 43d session of the UN.

The resolution which got favorable votes from 150 member countries, with Japan abstaining, recognizes the need to further broaden the range of approaches which would reduce the [word indistinct] and terms of debts by Third World countries.

12 Moscow Embassy Staffers Recalled
*HK2612061888 Manila PHILIPPINE DAILY
INQUIRER in English 26 Dec 88 pp 1, 8*

[By Chay Florentino]

[Text] Ambassador Alejandro Melchor will keep his post, but 12 staff members of the Philippine Embassy in Moscow will either be recalled home or reassigned in a major shuffle apparently resulting from allegations of potential security risks in the operation of a restaurant in its premises.

A source at the foreign office said charge d'affaires Hermenegildo Cruz and Rico Reyes, vice consul, will be recalled home, while counsellors Hernani Jover and Donato de Guzman are to be stripped of their diplomatic status. The eight others were not identified.

The revamp came after Ernesto Garrido, fiscal services chief of the Department of Foreign Affairs (DFA), investigated a complaint filed by Reyes who had accused Melchor of breaching security by allowing the operation of the Tamaraw Club restaurant. The restaurant is owned by the Philippine-based Galaxy Services, Inc.

Reyes also alleged that Melchor frequently left his post without the permission of the home office.

But Melchor said that on those trips he was on a "secret mission" authorized by President Aquino.

The source said Reyes had been ordered to return to Manila by Jan. 2 or he would be dismissed from the foreign service.

Reyes is now reportedly in the United States with his family.

In a letter to Foreign Secretary Raul Manglapus dated Sept. 27, Melchor accused Reyes of grave misconduct for sending a "pre-arranged telex" informing him that his (Reyes') family had a car accident in Florida. The telex was sent to the embassy one day after Reyes left Moscow.

Melchor also said Reyes was a "dishonest and devious character," citing, among other things, his "unethical and unprofessional" handling of the investigation of Ambassador Romeo Fernandez.

Fernandez, who was charge d'affaires at the Philippine embassy in Peru, was accused of committing a breach of security by associating and marrying Tatyana Yashina, an alleged KGB intelligence agent.

From the start, Reyes had claimed the Fernandez case looked like a "sex-trap ladder" scheme of the KGB to penetrate the Philippine embassy, Melchor said. But Fernandez was later cleared by the foreign office, which found the allegations to be without basis.

Melchor also accused Reyes of insubordination and insolence, citing his attempts to sow dissension among the staff members.

The source, who is a senior DFA official, said Melchor cannot be easily booted out of the foreign service since he is "one of the country's topnotch diplomats."

The source also said a major revamp of the embassy staff had to be made because Melchor needs strong staff support in his post.

Libyan Envoy Criticizes Mindanao Plan
*HK2812052788 Manila PHILIPPINE DAILY
GLOBE in English 28 Dec 88 pp 1, 6*

[By Julius F. Fortuna]

[Text] The Libyan ambassador to Manila has criticized the government's autonomy proposal for Muslim Mindanao, hinting that participation of the Moro National Liberation Front in any autonomous government is a solution to the 16-year-old secessionist war in the south.

"The problem with the RCC (Regional Consultative Commission) is that it did not consider the main parties to the Muslim conflict," Ambassador Salim Adim said in a press conference Monday night.

Adim did not specify what he meant by "parties," but observers believe he was referring to the MNLF, which along with the Philippines government, was a party to an agreement on Mindanao signed in Tripoli, Libya, in 1976.

The Libyan government, which supported the MNLF, is cosignatory to the Tripoli Agreement, which the MNLF claims to be binding because it is an international pact.

Adim told diplomatic reporters that "most of the members of the RCC are not even concerned...That's one difficulty and problem with the RCC."

A resolution of the ministerial meeting of the 46-member Organization of the Islamic Conference [OIC] held in Amman, Jordan, in March this year condemned the RCC as a violation of the Tripoli Agreement.

All the three separatist factions have also opposed the creation of the RCC, which they said is an attempt of the government to evade negotiations.

Ustadz Zain Jali told the GLOBE in a recent interview that any discussion on autonomy in the south should include the MNLF.

He said that because of the "unilateral move" of the Philippine government, the door for negotiation has been closed. The only exception would be when the government calls for negotiation on the Tripoli Agreement under the sponsorship of the OIC.

Another condition he set is for the talks to be held outside the country.

The RCC draft of the autonomy act for Mindanao has been tabled for discussion by both chambers of Congress in its special session starting January 9.

Adim said his government is still hopeful that the Tripoli Agreement would be implemented.

"I hope we can reach a compromise and this compromise will probably be the implementation of the Tripoli Agreement," he said.

Adim said he is "fully confident of President Aquino's sincerity in implementing the Tripoli Agreement."

The Libyan envoy also denied that Libya has trained MNLF guerrillas in his country. He blamed the U.S. government for spreading this black propaganda.

During the same press conference, the envoy also claimed that the United States was planning another bombing strike on Libya.

He said the United States is accusing Libya of manufacturing chemical weapons, but Adim said that Washington might be referring to a Libyan factory producing medicines for humanitarian purposes.

Aquino Responds to Comment

HK2812105488 Hong Kong AFP in English 0904 GMT
28 Dec 88

[Text] Manila, Dec 28 (AFP)—President Corazon Aquino Wednesday expressed determination to push ahead with her program of limited autonomy for the Philippines' Muslim minority to quell demands for a separate state.

She was reacting to published reports here quoting the Libyan ambassador to Manila, Salim Adim, as saying that members of a council she appointed to draft an autonomy law did not fully reflect the interests of Muslim Filipinos.

The estimated five million Muslims, called Moros, are the largest cultural minority in this largely Roman Catholic nation of 58 million. They are mostly based in southern Mindanao, Tawitawi, Basilan and Sulu islands.

A Libyan-backed separatist movement with an estimated 15,500 guerrillas, the Moro National Liberation Front (MNLF), has been observing an indefinite truce with the Aquino government for nearly three years but has threatened to revive an armed struggle that cost 60,000 lives in the 1970s.

Mrs. Aquino said the Constitution and an act passed earlier this year by congress called for the creation of a Regional Consultative Council (RCC) representing various social sectors and tribes in the Muslim-dominated south.

"This mandate of the law was strictly followed," Mrs. Aquino said in a written statement. "The government is addressing the problems and has initiated measures on the political and socio-economic fronts to promote the welfare of the Muslim Filipinos."

She said she had called a special session of congress next month to discuss among other urgent matters the proposed autonomy law for the Moros as well as the Cordilleras, a mountainous northern region of Christianized tribes.

The MNLF has been split into factions, one supporting collaboration with the Manila government and a larger group of hardliners, led by Nur Misuari, who have rejected the government's autonomy plan and are demanding that they be given control of 13 Muslim-populated provinces.

Manila has lobbied strongly among Arab nations for endorsement of the autonomy program and withholding of support for the MNLF's armed struggle. Apart from autonomy, she is offering an accelerated economic development program for the Moros.

Libyan Embassy officials could not be reached for comment Wednesday.

\$708 Million Loan Package Concluded With Japan
*HK2412025788 Manila Far East Broadcasting
Company in English 2300 GMT 23 Dec 88*

[Text] The Philippines and Japan finally exchanged notes on the 15th yen credit package, amounting to Y [yen] 88.56 billion or about \$708.5 million, from the Overseas Economic Cooperation Fund of Japan.

The notes were signed by Foreign Affairs Secretary Raul Manglapus for the Philippines and by Japanese Ambassador to the Philippines Tsuneo Tanaka at the Philippine International Convention Center.

According to Manglapus, the loan package will be used to finance line projects costing Y36.1 billion, to co-finance program loan with the World Bank and the Asian Development Bank amounting to Y40 billion, and to fund other program loans costing Y12.5 billion.

Further on Japanese Loans

*OW2312154688 Tokyo KYODO in English 1129 GMT
23 Dec 88*

[Text] Manila, Dec. 23 KYODO—Japan and the Philippines Friday signed the 15th yen loan package agreement totaling 88.561 billion yen. The money will be used for nine project and three program loans in support of Manila's medium-term development plan for economic recovery.

The 15th yen credit represented an increase of 10 percent over last year's 14th yen package of 80.208 billion yen. The hike is part of Japan's contribution to the capital recycling scheme announced in 1987.

Japanese officials said the 10 percent increase was "a token" of Tokyo's support for Manila which Prime Minister Noboru Takeshita expressed during talks with President Corazon Aquino in December 1987 and in the Toronto summit last July.

The interest rate for the 15th yen credit package was reduced to 2.7 percent from last year's 3 percent and the package is generally united.

The repayment period for the 36.561 billion yen going to project loans is 30 years, including a 10 year grace period. The three project loans amounting to 52 billion yen are payable in 25 years, including a seven year grace period.

Japanese Ambassador to Manila Tsuneo Tanaka and Foreign Affairs Secretary Raul Manglapus signed the agreement at the Foreign Affairs Department buildings.

FRG Reduces Interest Rates, Extends Loans
*HK2712051988 Quezon City Radyo ng Bayan
in Tagalog 0400 GMT 27 Dec 88*

[Text] West Germany has cut down the interest rate of loans granted to the Philippines. At the same time, it also extended the repayment period from 30 to 40 years.

The Federal Republic of Germany is the Philippines' first government creditor to be a member of the Paris club and which has taken steps to alleviate the country's debt burden. This came as a result of talks in Bonn attended by National Economic and Development Authority deputy director general Filologo Pante.

Congress Paints 'Rosy' Economic Picture for 1989
*HK2712053588 Manila BUSINESS WORLD in English
27 Dec 88 p 1*

[By reporter Cris V. Paraso]

[Text] Congressional economic leaders yesterday painted a rosy picture of the country's economic performance next year, but warned Government of possible inflationary trends due to higher interest rates and supply shortages of essential commodities in the world market.

At the weekly breakfast forum, "Kapihan sa Maynila" [Manila Coffeeshop Forum] at the Manila Hotel, Senator Vicente T. Paterno and Rep Margarito B. Teves of Negros Oriental, Senate and House economic affairs committee chairmen, both projected a slightly higher economic performance next year over this year's expected 6.5 percent growth.

For 1989, Sen Paterno said there is a "visible surge" in investments especially in provincial-based enterprises. He said the prevailing bullishness in the business sector is due to the high level of confidence in Government.

He, however, noted that the Administration, with support from the legislative department, should provide for standby emergency powers to curb any sudden price increases brought by possible shortages of vital commodities.

Despite the rosy projections, however, Rep Teves cautioned of serious effects on Philippine exports of the United States' mounting fiscal and trade deficit problems, as the latter is one of the country's major trading partners.

Rep Teves further said Government should be able to acquire new money next year to fund exports and other projects under the medium-term development plan, and to "maximize" availments and disbursements of official development loans.

Nonetheless, he foresees economic resurgence coming from commitments to the much-bruited about Philippine Aid Plan and increased tax collections by the two main revenue-generating agencies—the bureaus of Internal Revenue and Customs.

The Negros Oriental solon said Philippine products will acquire higher preferential treatment next year due to the withdrawal by the U.S. of the Generalized System of Preferences from its major international commercial partners, including members of the European Economic Community and the U.S.

Aurelio Periquet, Philippine Chamber of Commerce and Industry (PCCI) President echo the solons optimism over 1989's economic performance, noting that "the stage has been set for fostering growth."

He said the local business community "views Government as implementing the right (economic) formula."

Trade and Industry Secretary Jose S. Concepcion Jr said he expects a higher growth rate next year with the influx of foreign and domestic investments, higher tax collection efficiency rate and reduced smuggling.

He added that the Department of Trade and Industry is eyeing five to six regions next year to be transformed into "regional industrial estates," adding that the Board of Investments has so far approved investments of up to 60 percent located in various regions nationwide.

"We can easily achieve a growth rate higher than 6.5 percent if the legislators will cooperate with the executive department," Sec Concepcion said.

Aquino on Appointments, Appropriations Bill
HK2712083988 Manila Radio Veritas in Tagalog
0700 GMT 27 Dec 88

[Text] Gabby Salcedo reports from Malacanang:

[Begin recording] [Salcedo] President Corazon Aquino confirmed that she has asked former PCGG [Presidential Commission on Good Government] Commissioner Ramon Diaz if he is available for the ambassadorial post to Canada. This was learned from the news briefing with Press Secretary Benigno, who relays the president's answers. One of the questions submitted to Mrs Aquino was whether or not former Defense Secretary Rafael Ileta will be the new national security adviser. We also asked who will replace BIR [Bureau of Internal Revenue] Commissioner Bienvenido Tan Jr, who is due to retire this year. Another question was about the general appropriations bill of P [pesos] 227.4 billion for 1989. The answers will be relayed by Press Secretary Teodoro Benigno:

[Benigno in English] Answer to questions one and two. Regarding the positions of commissioner of internal revenue and chairman of the Securities and Exchange Commission, I shall make the announcement during the

mini-press conference on Thursday. With regards to the position of the national security adviser, there's nothing to announce for the present.

As I have said before, there is no need for a revamp at the executive branch or the cabinet. I am truly pleased with the cabinet's performance this year.

Reply to question three. I instructed Executive Secretary Macaraig to ask former PCGG Chairman Ramon Diaz if he is available for this position of Philippine ambassador to Canada. As the response is favorable, I will nominate former Chairman Diaz to the Commission on Appointments when Congress resumes its session next month.

Reply to question four. I will sign before the year ends the general appropriations bill for 1989, with a veto on particular items. The specific items covered by the veto will be spelled out in an accompanying veto message, which I will communicate to Congress when it resumes its session. End of reply. [end recording]

Planning To Replace Security Adviser
HK2312133988 Quezon City Radyo ng Bayan
in Tagalog 1000 GMT 23 Dec 88

[Text] President Corazon Aquino is considering former Defense Secretary Rafael Ileta as the next national security adviser to replace Emanuel Soriano. The full details from Sel Baisa:

[Begin recording] PBS [Philippine Broadcasting Service] learned that the president plans to replace Soriano because of his involvement in the controversial Intramuros gold digging. Executive Secretary Catalino Macaraig also confirmed that the president has mentioned the former defense secretary's name for the post. Macaraig added that Mrs Aquino is having difficulty finding a replacement for BIR [Bureau of Internal Revenue] Commissioner Bienvenido Tan who is due to retire at the end of the year. [end recording]

Reappoints Human Rights Commissioners
HK2412030788 Manila Far East Broadcasting
Company in English 2300 GMT 23 Dec 88

[Text] President Corazon Aquino has reappointed woman lawyer Mary Concepcion Bautista as chairman of the Commission on Human Rights [CHR], effective December 17 this year. At the same time, the chief executive also renewed the appointment of the four Human Rights Commissioners Samuel Soriano, Narciso Montero, (Masitio Malingning), and Abelardo Aportadera.

In a press briefing, Bautista told newsmen that she and the four CHR commissioners have already taken their oath before Supreme Court Chief Justice Marcelo Fernan.

Bautista, a former commissioner of the Presidential Commission on Good Government, said their reappointment was an indication of President Aquino's trust and confidence in them and a recognition of their work in the commission.

New Military, Police Generals Named

*HK2712054188 Manila THE MANILA CHRONICLE
in English 27 Dec 88 pp 1, 6*

[Exerpts] President Aquino will promote today 22 senior AFP [Armed Forces of the Philippines] colonels, eight police colonels, and three senior Navy captains to a star-rank even as the defense department has recommended the promotion of area unified commanders to a higher rank.

Ten of the promoted senior AFP colonels are from the Army, five from the Constabulary, five from the Air Forces, four from the Navy and one from the Medical Corps.

Twenty-two of the promoted generals were graduates of the Philippine Military Academy while the rest are integrated officers. The promotion of 25 generals will bring to 93 the total number of star-rank officers in the AFP.

The AFP is allowed under the law to promote at least 120 to 130 star-rank officers, or .75 percent of the total number of officers in the Armed Forces.

[Passages omitted naming officers promoted]

The new AFP generals and police generals will take their oath of office before the President today at Malacanang. However, their new ranks, except for police generals, are still subject for confirmation by the Congress.

In Camp Aguinaldo, a new law was drafted by the defense department to fix the tour of duty of the AFP vice chief of staff, the AFP deputy chief of staff and the four major service commanders.

Under the 1987 Constitution, only the AFP chief of staff has a fixed term of three years. All other AFP officers retire after reaching the age of 56 or 30 years of service whichever comes last.

A new draft law to be forwarded to Mrs Aquino as an administration bill will give the AFP vice chief of staff (a three star general) and the deputy chief of staff and the four major service commanders (all two-star generals) another two years of service.

The draft bill also seeks to promote to major general (two-star) all the six area unified commanders and the superintendent of the Philippine Military Academy. [PMA] All positions, except the commander of Southern Command (Southcom), are held by brigadier generals.

The promotion of new generals will affect the entire officer corps of the military because of a new organizational revamp as well as the movement upwards of junior officers to fill up the vacant slots allotted for each rank in the AFP.

About .75 percent of the entire AFP officers corps comprised the generals and 5.2 percent are allocated for colonels or captains in the naval force.

The promotion of new generals would also mean a smoother transition of leadership from the senior AFP general to the younger corps of officers.

For example, Cols. Enrile and Abadia were among the first of the large batch of PMA class 1962 to be promoted to the next higher rank as the ruling class, PMA class 1958, will have to retire in the service next year or in 1990.

Two senior AFP generals are expected to retire next year—Lt. Gen. Antonio Sotelo, the AFP vice chief of staff who will retire in August, and Maj. Gen. Mariano P. Adalem, the Army chief, who will bow out in July.

Their retirement will pull higher senior AFP generals while succession and transition will be easier and smoother with the promotion of younger officers in the star ranks.

Swears In Appointees

*HK2712092388 Manila Radio Veritas in Tagalog
0700 GMT 27 Dec 88*

[Excerpts] President Aquino has sworn into office 25 new brigadiers general. Also present at the oath-taking ceremony were: AFP [Armed Forces of the Philippines] Chief of Staff General Renato de Villa, Defense Secretary Fidel Ramos, PC-INP Chief General Ramon Montano, and other top military officials.

Ten of the new generals are from the Philippine Army, five are from the Philippines Constabulary, five are from the Philippines Air Force, four are from the Philippine Navy, and one is from the Medical Service Corps. The new promotions bring to 93 the number of flag officers of the AFP who have a rank higher than captain.

AFP Chief of Staff General Renato de Villa was interviewed by newsmen after the oath-taking ceremony:

[Begin recording in English] [De Villa in progress] ...from Cagayan Valley to all the way to Zamboanga and all the way to Davao. All their commanders are represented here.

[Reporter] The junior officers from the field feel that they are being given due recognition. [passage omitted]

[De Villa] That might be the sentiment of one or two or a few. You see, one simple fact of life that everybody must not forget is that all of us were junior officers once upon a time, and we know the score.

[Reporter] Sir, do you feel the promotion this morning will contribute to the unity of the AFP?

[De Villa] Certainly, because these people have been doing their work. These people are deserving. They have been very thoroughly screened and, as I say, they represent the total Armed Forces that we have in terms of position, assignments, geographical location, etc.

[Reporter] General, may we know how many generals in the Armed Forces of the Philippines [words indistinct]?

[De Villa] We have been down to 68 active generals. Now we have 25 more.

[Reporter] Would you say that we are overstaffed?

[De Villa] No, we are authorized 117, as a matter of fact.

[Reporter] Now, when will the next batch of generals be promoted?

[De Villa] We are considering calling the bulk of generals to another series of meetings right after the New Year to consider those who are not included and who are also performing credibly.

[Reporter] Are you suggesting, General, new promotions in January or February next year?

[De Villa] Too early to say, but we will have to work on the processes. It is a long process, you know. We worked on this, I think, since June.

[Reporter] [passage omitted]

[De Villa] One thing I can tell you is that all of these newly promoted are professionals. They will do their job that they are called upon to do, with or without orders.

[Reporter] The generals we have in the army, are they expected to sustain the offensive of the AFP against the communists?

[De Villa] [chuckles] We have been on the offensive since January.

[Reporter] Sir, may we know your comment on Mr Joma Sison's statement that they will win the insurgency war within 10 years and that they have a figure of more than 200,000 NPA regulars? [as heard]

[De Villa] If I were on his side, I would do the same. [end recording]

Montano Announces January PC-INP Revamp
HK2712050188 Quezon City Radyo ng Bayan
in Tagalog 0400 GMT 27 Dec 88

[Text] An extensive PC-INP reorganization will take place on 1 January.

PC-INP Chief Ramon Montano issued the statement after President Aquino inducted 25 new generals of the Armed Forces into office. The full details from Sel Baisa:

[Begin recording] [Baisa] Montano explained that the scheduled retirements will give way to an extensive PC-INP revamp.

[Montano in English] There will be retirements and these will (?preempt) the revamp. We are still studying this and we hope that we have placed the right persons for the right places.

[Baisa] Is it a major one?

[Montano] Yes. This is a major one, together with all the Armed Forces. This will be a [word indistinct]

[Baisa] Do you think that all the Armed Forces will return to the other major services?

[Montano] If there will also be changes in command of the other Armed Forces.

[Baisa] Isn't it true that this is the option of this [words indistinct]

[Montano] Yes. New appointees and also retirements. [end recording]

Laoag Airport To Reopen; Marcos Issues Message
HK2412051588 Quezon City Radyo ng Bayan
in Tagalog 0415 GMT 24 Dec 88

[Text] Here is the news from DZMM-Radyo ng Bayan, Batac, Ilocos Norte:

The Laoag International Airport is expected to be reopened before the end of January 1989. This was announced by Congressman Roque Ablan Jr of District 2 during a recent visit to Laoag City, Ilocos Norte by General Jose de Leon, commanding officer of the Philippine Air Force, who was on a tour of various air bases in the country.

According to Congressman Ablan, a franchise for an inaugural flight from Tokyo, Japan by Japan Air Lines once the airport is reopened has already been approved.

The Laoag International Airport was closed following the February Revolution. According to Ablan, it remains closed out of fear that it will be used by former President

Ferdinand Marcos as his port of entry into the country. Ablan added that the reopening of the airport will boost tourism and increase the income of Ilocanos.

Meanwhile, former President Marcos extended a Christmas message from Hawaii to Ilocanos. The message was transmitted by Congressman Roquito Ablan, who just came from Hawaii.

In his Christmas message, Mr Marcos said that he was praying for the happiness and unity of Ilocanos in their aspirations. He also said that he was deeply concerned about reports of misunderstandings among his provincemates, notably among his political supporters. He urged them to cooperate with one another and to unite together to attain peace and progress in the country.

Marcos was ousted in a revolution in 1986. He and his first lady are presently living in exile in Hawaii.

Manila Port Workers Strike Over Unpaid Wages
HK2812053988 Quezon City Radyo ng Bayan
in Tagalog 0400 GMT 28 Dec 88

[Text] The strike mounted by South Harbor personnel is continuing. An estimated 2,000 port workers started the strike yesterday to protest against officials of the Philippine Port Authority [PPA]. The strikers are demanding payment of a total of P [pesos] 5 million in unpaid wages to laid-off workers of the Metro Port Services. During a meeting yesterday, an official of the PPA said that the decision on the payment given as termination pay rested with the PCGG [Presidential Commission for Good Government]. The Metro Port Services have been sequestered by the PCGG, so the PPA will assist members of the Associated Workers' Union to take their claims to the PCGG.

Military Reports More Truce Violations
HK2812033788 Manila PHILIPPINE DAILY
GLOBE in English 28 Dec 88 p 2

[By staff writer Dionisio Pelayo]

[Text] Military authorities claimed yesterday three more rebel-initiated violent incidents during the Christmas truce between government forces and the communist-led New People's Army.

At the same time, Gen. Renato S. de Villa, AFP [Armed Forces of the Philippines] chief of staff, said the NPA attacks against government forces during the Christmas cease-fire were not cease-fire violations because there was no cease-fire agreement between the government and the rebels.

De Villa said: "I cannot really expect them (the rebels) to have the same sense of commitment and professionalism as the AFP. Besides, who controls them in the first place? We do not know."

The AFP, De Villa said, "respected and obeyed" the orders of the President to suspend offensive counter-insurgency operations during the 48-hour period from December 24 to 25.

In other insurgency-related violent incidents during the informal truce, AFP reports said a soldier was wounded and a rebel commander was captured in separate incidents in Agusan del Norte, Davao del Sur and Quezon provinces last Sunday.

A soldier was wounded at Sangay, Buenavista, Agusan del Norte, when rebel snipers fired at troops manning a patrol base of the 30th Infantry Battalion. The wounded soldier was identified as Sgt. Artemio Tablo.

In Davao del Sur, communist rebels, who were allegedly forcibly taking away a pig from a family living at Lower Tibigon, Sta. Cruz town last Sunday morning engaged soldiers who were sent to check the presence of armed men in the barangay. In the ensuing firefight one of the rebels was wounded and their commander captured.

The captured rebel leader was identified as Jose Mariano alias Commander Jomar, a member of the main Regional Guerrilla Unit Four of the Southern Mindanao Regional Party Committee.

Reports said the rebels wanted the pig for their Christmas dinner.

A detachment of the Army's 203rd Brigade at Maligaya, Guiniangan, Quezon, was attacked by communist rebels, who withdrew after a 15-minute firefight last Sunday night. No casualties were reported on either side.

Earlier, AFP spokesman Col. Oscar Florendo said a soldier was killed and another was wounded in three incidents in Abra and Iloilo also during the informal truce.

Florendo accused the NPA of cease-fire violations.

Further on Christmas Truce
HK2612060088 Hong Kong AFP in English 0527 GMT
26 Dec 88

[Text] Manila, Dec 26 (AFP)—An informal Christmas truce between government forces and communist guerrillas in the Philippines over the weekend was apparently observed by both sides, security officials said here Monday.

Spokesmen for the Defense Department, the Armed Forces High Command and the National Police said they had received no reports of clashes occurring between the stroke of midnight Friday until the same time on Sunday.

President Corazon Aquino last week ordered a halt to all military offensives for 48 hours on the Christmas and New Year weekends to give this largely Roman Catholic nation of 58 million people a holiday break from the fighting.

The New People's Army, the 24,000-strong armed wing of the banned Communist Party of the Philippines (CPP), responded by saying that it would "refrain from initiating tactical offensives" from December 24-26 and December 30-January 1, one day more than the government's truce period.

The most important event related to the insurgency during the Christmas weekend was Sunday's release of six soldiers held by NPA guerrillas in Quezon province south of here for three months.

Observers said the NPA extended its truce to Monday in observance of the 20th anniversary of the founding of its mother organization the CPP on December 26, 1968.

In the past, the NPA has marked the occasion with symbolic attacks on government targets or gatherings of its guerrilla army in rural strongholds.

NPA Said To Release Six Soldiers in Quezon

*HK2612034988 Manila Far East Broadcasting
Company in English 2300 GMT 25 Dec 88*

[Text] The six soldiers held captive by the NPA for the past 91 days were finally released by the Milito Glor Command at barangay Malinaw, Atimonan, Quezon at 1100 yesterday morning. Released were Army soldiers Anselmo Cruz, Wilberto de la Cruz, Pedro Sabado, Sevillano Carino, Feliciano Bonifacio, and a Constable 1st Class Alberto Ortega. They were kidnapped by NPA guerrillas last September 25th in the Bontoc Peninsula. The hostages were turned over by Milito Glor Command spokesman Gregorio Rosal, alias Comrade Roger, to former Lieutenant City Mayor Ed Abcede and Congressman Oscar Santos at the Malinaw Catholic Church. The soldiers were physically examined by Dr (P. Tao), president of the Quezon Medical Society, and found them in good physical condition.

Abcede and Santos turned over the soldiers to Monsignor Emilio Marquez, bishop of Gumaca, Quezon, who led the civilian panel which negotiated for the release of the soldiers. Aside from the church official, the panel also included a local broadcaster, Joselito Ojeda, Romeo Carmona, and Benjamin Calbelo. According to Rosal, the release of the said hostages was in accordance with the Filipino tradition of observing Christmas Day.

Communist Party Issues Anniversary Statement

*OW2512130288 Tokyo KYODO in English
1131 GMT 25 Dec 88*

[Text] Manila, Dec. 25 KYODO—Philippine Communist insurgents announced on Sunday they expect to overthrow the national government and establish their leadership within the next 10 years.

The banned Communist Party said its "cumulative strength" in the political field and the "cumulative trend" in the growth rate of its armed wing, the New People's Army (NPA), over the last 20 years were its basis for projecting victory in the next decade.

"It is reasonable for the Communist Party of the Philippines to aim for total victory in the national democratic revolution with in the next 10 years," the central committee of the party said in a statement issued on the eve of its 20th founding anniversary.

"The insoluble and ever worsening economic and political crisis of the ruling system provides fertile ground for the growth and advance of the party and all other revolutionary forces," it said.

The Armed Forces has geared for a full alert status in anticipation of any outbreak of violence during the party's anniversary.

Meanwhile, a local command of the rebel army released on Christmas day the six soldiers it captured late last September. The hostages were released in a chapel in Malinao village, Atimonan town in Quezon Province, 100 kilometers southwest of Manila.

The present party was reestablished in December 26, 1968 from a faction of the splintered pro-Soviet old party. The statement said party membership is now pegged to 35,000 with rural and urban "mass bases" totalling 10 million.

The party did not give the numerical strength of its army in the statement. But military officials have estimated the NPA to have 26,000 full- and part-time fighters.

The statement said the rebel movement now operates in at least 60 guerrilla zones covering 12,000 of the country's 41,000 villages. It said the number of guerrilla zones represents "a significant portion" of the country's 800 municipalities and 63 provinces.

The "key to total victory" within the next decade "is the militant all-sided participation and support of the people (in the revolution)," it said. "There is no way the United States can defeat a resolute protracted people's war in the Philippines," it said.

Fighting between government and rebel forces is expected to resume December 26 as the 48-hour truce effective Christmas Eve lapses. A similar truce takes effect on New Year's Eve.

The 1988 ceasefire was the third to be reached between the Aquino government and the rebels. The first one was in 1986 when the two sides held peace talks which eventually collapsed.

From January 1 to December 21 this year, an estimated 3,781 troopers, rebels and civilians died and 1,614 persons were wounded due to insurgency-related incidents.

Ramos Comments on CPP Founder's Statement
HK2712102088 Manila Radio Veritas in Tagalog
0700 GMT 27 Dec 88

[Text] We have a report from Jill Risonto:

[Begin recording] [Risonto] Defense Secretary Fidel Ramos belittled Jose Maria Sison's claim that the Communist Party will be able to overthrow the government in 10 years. He said that this statement is just a repeat of previous CPP [Communist Party of the Philippines]-NPA statements. Furthermore, the economy's development in 1988, according to NEDA [National Economic Development Authority], has aided the military's counterinsurgency program because of the alleviation of poverty, one consideration for the decreased number of rebels. Here is Defense Secretary Fidel Ramos on the issue:

[Ramos in English] No. What he is saying is becoming more and more vague. If you will remember, in '86, they were talking about the stalemate condition in 3 years. I think that is further and further now from reality with these gains of the government in the entire internal security picture. Counterinsurgency is trying to improve the peace-and-order condition in fighting crimes as well as improving our public safety program.

Fighting secessionism also is part of that. The bouncing back of the economy predicted by NEDA, some 7.5 percent in economic growth, I would say is partly attributable to the improvement ratio in our counterinsurgency campaign.

[Risonto] Regarding the AFP's [Armed Forces of the Philippines] 1988 achievements, here are some of them: adoption of a total, full strategy in the counterinsurgency which effected the reform and surrender of leftist forces, or CPP-NPA; AFP improvement of the capability of the army's front-line unit; the formation of Civilian Armed Forces Geographical Units and the expansion of civilian volunteer organizations; improvement in the military's intelligence network which effected the arrests of CPP-NPA ranking members and notorious criminals; the preparation of an all-out military offensive operation against the rebels for 1989; the decrease of CPP-NPA's strength to 8.4 percent since 1987; the number of rebel-controlled barangays have declined; recovery of 618 firearms from the NPA; more CPP-NPA-NDF ranking members were captured in comparison to past years. [end recording]

Says Tide Turned Against Insurgency
HK2812015188 Manila Far East Broadcasting Company in English 2300 GMT 27 Dec 88

[Text] The military has reversed the tide of the long-running communist insurgency after almost 4,000 people died in fighting in 1988. Defense Secretary Fidel

Ramos told reporters that 3,752 people were killed in 1988, compared to 3,812 killed in 1987. The 1988 dead were comprised of 912 soldiers, 1,913 rebels and 927 civilians. Ramos said continued military successes would keep the communist New People's Army farther away from their goal of seizing power. Ramos made his remarks after the banned Communist Party of the Philippines, marking its 20th anniversary on Monday, boasted that it could win the war within 10 years. In a year-end report, Ramos said the rebels' armed strength decreased by 8 percent to 23,060 regulars in 1988, and from 25,200 in 1987.

NDF-Bicol Cites Terms for Peace Talks
HK2312065188 Manila PHILIPPINE DAILY INQUIRER in English 23 Dec 88 pp 1, 6

[By Danny Calleja and Roy S. de Guzman]

[Text] Legazpi City—The National Democratic Front-Bicol has opened its doors to peace negotiations with the government.

But NDF-Bicol spokesman Roman Alvarez said that for the negotiations to succeed, the agenda must tackle the country's "feudal structure, American imperialism and bureaucrat capitalism."

There has been no reaction so far from any government official on the offer.

The NDF leadership itself has not commented on it. But two weeks ago, the New People's Army general staff said it was against resuming peace negotiations with the government.

In a related development, Rep. Oscar Orbos, spokesman of the Laban ng Demokratikong Pilipino [LDP—Struggle of Philippine Democrats] said his colleagues in the House of Representatives would take advantage of the holiday ceasefire to hold talks with guerilla leaders in their respective districts.

Orbos said congressmen, governors and mayors who are LDP members have been instructed "to exhaust and exploit all opportunity for dialog" during the Yuletide break.

In a statement distributed to newsmen, Alvarez said the NDF-Bicol will observe a ceasefire in the region on Christmas Day and New Year's Day.

The NDF declaration came in the wake of President Aquino's order for a cessation of counterinsurgency operations for two 48 hour periods on Christmas Day and New Year's Day. Alvarez also said NDF-Bicol was proposing the declaration of Naga City as a "neutral peace zone" in Bicol.

But to achieve this, NDF-Bicol named six conditions.

- The organization of an internal structure mutually acceptable to both the government and with the capability to enforce the terms of the peace zones. [sentence as published]
- The strict observance of the human rights of participating parties, including the right to free expression for the revolutionary movement and the right to put up an office and a radio station within the peace zone.
- A fully guaranteed right for NDF members to enter and leave the peace zone.
- a ban on the display of military hardware and the dismantling of military camps within the peace zone.
- The dismantling of paramilitary units and the CAFGU [Citizens Armed Forces Geographical Unit] and within the peace zone. [sentence as published]
- No party can unilaterally back out from the peace zone and engage in hostile action without giving the other party sufficient time to get its personnel and equipment out of the area.

Meanwhile, Col. Marino Filart, Bicol PC chief warned of the possibility that the Bicol rebels may launch an offensive on the 20th founding anniversary of the NPA on Dec. 26.

Bicol NPA deputy commander Celso Minguez alias Ka [Comrade] Ogi has been reportedly sighted in Naga City last weekend and is believed to be consolidating his group, Filart said.

In a talk with newsmen, Orbos said the unilateral moratorium announced by the President "may be a good start" and the LDP is taking advantage of the opportunity to initiate talks with the rebels.

He said some of the 162 LDP congressmen are even planning to set up "reunion centers" in their districts where rebels could discuss with the ordinary townsfolk how real peace can be attained.

"I hope, too, that the rebels could spend the holidays with their loved ones. If there is an equally encouraging reaction on the part of the insurgents, maybe we can even extend the ceasefire beyond the holidays and look forward to the possibility of new peace talks," Orbos said.

Rep. Bonifacio Gillego agreed that the ceasefire should be extended beyond Christmas."

Study of Proposal Ordered

HK2412051188 *Quezon City Radyo ng Bayan*
in Tagalog 0400 GMT 24 Dec 88

[Text] The government will study a proposal from rebels in Bicol on the opening of peace negotiations. Despite the absence of a formal request, the president has instructed concerned government agencies to study the proposal advanced by the National Democratic Front in Bicol.

Meanwhile, it is still not known whether the NDF-Bicol proposal has the approval of the National Democratic Front national leadership. The proposal was reported in yesterday's newspapers.

Thailand

Trade Negotiations With U.S. Viewed

BK2812002488 *Bangkok THE NATION* in English
28 Dec 88 p 8

["Peter Maitri Ungphakorn, recently in Washington, comments on the Thai-US trade negotiations in this first of a two-part series": "Not a Question of Maturity"]

[Text] Thailand's refusal to yield to US pressure on copyright protection for computer software and patent protection for pharmaceuticals has been hailed as a sign of maturity. Looked at more closely, however, the details of what happened show the description to be irrelevant, if not unjustifiable.

As with so much of the recent debate on Thai-US trade relations, it is a simplistic, unhelpful and unfair claim. It suggests that those who are prepared to accommodate some of the United States' demands are immature. It rules out the possibility that they, too, have a rational, grown-up view of what is in Thailand's interest.

"Mature" Japan has, after all, agreed to a number of "voluntary" restraints on its exports and to reduce import barriers on beef and citrus in order to avoid tougher unilateral protectionist actions—however unfair—by the Americans. And South Korea, "immature" presumably since it acquiesced on intellectual property protection, now has the Americans terrified by a rising torrent of imported Korean products that includes computers.

So this is not just a question of Thailand "extricating itself from Washington's fold". The dilemmas facing Thailand in its international trade relations are much more complex than that.

What is more, in the negotiations of the past few months there has been a gaping omission. US rice subsidies, once described as the biggest problem in Thai-US relations, have been ignored by all sides in the internal Thai debate as well as in the negotiations between Thailand and the United States.

The simple view

In its strongest version, the simple view is that the issue boils down to Thailand refusing to be bullied by its superpower ally.

The more moderate version is that Thailand is standing firm on a matter of principle and refusing to yield to the pressure of greater economic power. That is the view Commerce Minister Subin Pinkhayan was forced to

adopt in front of a television camera in Washington immediately after his pointless half-hour meeting with US Trade Representative Clayton Yeutter on Dec 12.

Half-way through a relaxed briefing with newspaper journalists, the television camera appeared, lights glared, and Subin stiffened visibly.

As leader of the Thai negotiators, Subin was asked how the Thai government assessed the relative merits of resisting US pressure on software copyright and pharmaceutical patents, in comparison to preserving for Thailand import duty exemptions granted selected selected exports from Third World countries under the US Generalized System of Preferences (GSP). Further, he was asked, how had the Thai government assessed the risk of major Thai exports already outside the GSP programme suffering action under Section 301 of the new US Omnibus Trade Act?

Subin said no assessment had been made: The Thai government's stand was based on principle.

He went on to emphasize that his negotiators simply handed to the Americans the message Prime Minister Chatchai Chunhawan had sent from Bangkok a few days earlier. None of his own ideas had been added. Subin stressed the point in order to make clear to people back home that instructions were carried out faithfully, without deviation.

Privately, several Thai officials were less generous. The mandate from Bangkok left no room for negotiation, they complained. Chatchai sent a text, with a few minor variations as options, that the Americans could either take or leave. There was no need for a high level delegation led by a minister—a messenger or fax machine could have done the job just as well, the Thai officials argued.

But according to Chulalongkon University law lecturer Surakiat Sathianthai, one of Chatchai's advisers, the original intention had always been for Subin simply to sign an agreement arising from previous discussions between officials.

The last-minute negotiations had not been expected and therefore the texts Chatchai sent to Subin and his officials represented Thailand's final position, Surakiat said.

He indicated that PM's Office Minister Michai Ruchuphan played a leading role in vetting the text during the crucial Cabinet meeting and added that the options Chatchai provided as fallback positions for the Thai negotiators were, strictly speaking, not endorsed by the Cabinet.

When Chatchai told the Thai negotiators in Washington precisely what wording would be acceptable, some interpreted the move as a sign of distrust, as if Chatchai feared Thailand's interests would be negotiated away if a freer hand were allowed. Surakiat denies the suggestion.

During his meeting with Yeutter, Subin did mention the actions taken by the Prem and Chatchai governments, in an effort to persuade the Americans that progress has been made in the direction they are seeking and that tough action on Thai GSP eligibility was not necessary. He told Yeutter that Thai policy remained unchanged despite the change of government following the July 24 general election.

By most accounts, however, the meeting became more of a courtesy call since it was already clear that nothing would be signed.

Software Although the Thai and US negotiators never closed the gap on pharmaceuticals patents, it was computer software that remained the focus of discussions in Bangkok and Washington.

Chatchai's final position has been described as a refusal to give software the same type of protection as copyrighted works. That description is wrong.

Rather, the official Thai position that Chatchai conveyed to his negotiators was designed to keep the government's options open. Software could still end up under copyright law.

The Thai government accepted, as did the Americans, that the Thai judiciary would rule on whether software is covered by Thai copyright law.

But the Americans wanted a commitment from the Thai government not to initiate a separate law to cover software before Thai courts could make their ruling. The Thai government refused to tie its hands.

The Thai government has yet to make up its collective mind on computer software and further battles cannot be ruled out. Some in the government still want to see software covered by regular copyright law. Others prefer a separate concept (a law that is *sui generis* [preceding phrase published in italics], meaning "unique" or "of its own kind"), which could be a variant of copyright—perhaps with protection covering a shorter span than the creator's life-plus-50-years, the present coverage of copyright law—or something closer to patent protection, which requires a process of registration and disclosure of secrets.

(Copyrighted works are protected automatically as soon as they are created without any need for registration or disclosure of how they are constructed. Patented inventions cannot be trade secrets because a description of how the invention works has to be included in the registration.)

Confused messages The message American negotiators were hearing through their Thai counterparts was perplexing, a problem not always appreciated in Bangkok. The Americans felt they were yielding ground in an attempt to conclude a deal and every time they reached what they thought was the Thai position they found the Thais were no longer there.

One such step was when the US Congress and administration decided to accede to the Berne Convention on copyright, a move that will now bring US works automatically under Thai copyright law although the extent of the coverage is still a subject of debate.

Peter Allgeier, assistant US Trade Representative and head of the US negotiators, says the Americans were initially relieved that one of the hurdles appeared to have been overcome.

"We were particularly disappointed when the Thai side brought up (new) objections," Allgeier says.

Another step was over the original US call for the Thai government to state that it would actively oppose separate legislation for software. By December the Americans had softened this to a call for the Thai government to do no more than refrain from initiating separate software law. Again, Allgeier says he thought this was a position acceptable to Thailand.

There are even some Thais who wonder whether deep down Chatchai and his advisers simply do not want an agreement of any kind. **Tomorrow: rape, good faith and intellectual vanity.**

Impact of Thai Stand on U.S. GSP Examined

BK2512073088 [Editorial Report] Two Thai-language dailies—THAI RAT and NAEO NA—carry editorials in their 24 December issues on the U.S. generalized system of preference [GSP] benefits for Thai exports to the United States.

The THAI RAT editorial, on page 3, entitled: "GSP is a Small Matter," says "The United States has acted less aggressively concerning its plan to cut GSP benefits for Thai products after it learned that Prime Minister General Chatchai Chunhawan had adopted the recommendation of his advisers not to amend Thai Copyright Law in exchange for GSP benefits. The Thai Government now knows that the GSP benefits are temporary and that they have been used to lure Thailand to amend its Copyright Law to protect U.S. intellectual property, such as computer software, which will cost it billions of baht."

The editorial suggests that to keep the U.S. market for the Thai products which have lost GSP benefits, such products must improve in quality and production process and that "in the future Thailand use diplomats who are more knowledgeable about trade than those now in government service to negotiate intelligently with the United States."

The NAEO NA editorial, on page 5, entitled: "Do Not Confuse the Issue," says the government has disregarded the paper's repeated advice that if the situation warrants, the government should compromise with the United States on the GSP issue.

It says by using aggressiveness during negotiations with the United States which is more powerful and challenging it to cut GSP benefits, "the Thai economy will surely run into obstacles. We will learn after Christmas whether the GSP benefits will be cut, and it is the assessment of many that GSP for Thailand will be cut. The cut will be followed by Thailand being hit with the U.S. omnibus trade act because withdrawal of GSP will remove Thailand from the status of a country employing fair trading practice with the United States, placing it among unfair trading countries and thus subjecting it to U.S. retaliation."

Foreign Ministry Urges More East Bloc Ties

*BK2612014088 Bangkok THE NATION in English
26 Dec 88 p 2*

[By Atthawibun Sisuworanan]

[Text] The Foreign Ministry has drawn up a plan designed to boost bilateral relations with the Soviet bloc countries.

The move comes at a time when Thailand is trying to catch up with rapid international changes and to diversify its traditional export markets.

Kasit Phirom, director general of the International Organization Department, told THE NATION that the Foreign Ministry has completed a report which will call for new measures to strengthen Thailand's trade relations with the Soviet bloc.

The report will serve as a foundation for other related government agencies to amend and adjust their regulations.

He said the report prepared by the Foreign Ministry focuses on the formulation of an integrated programme of socio-economic as well as science technology cooperation with Eastern European countries.

Under the new measures, businessmen from the Soviet bloc will be able to obtain visas at Don Muang Airport to facilitate their business trips here for a two-week visit. It will be the first time that businessmen from socialist countries will be allowed to travel to Thailand without visas.

The ministry's Passport Division is also preparing a final draft of visa regulations, which have been frequently cited as a main source of trade barrier with socialist countries. These regulations will be considered by the Cabinet soon. Agencies concerned, such as the Immigration Division and the National Security Council, have approved the draft.

According to Kasit, the report also urges the government to allocate extra budget to carry out trade negotiations and trade promotion campaigns in the Eastern European cities. Other measures include stepping up of economic, social and cultural exchange programmes with these countries.

He said with limited trade promotion budget, the Commerce Ministry has accorded top priority to Western Europe, Thailand's third most important market, and in the process has completely ignored the potential markets in Eastern Europe.

And with the expansion of air routes from Bangkok to various capitals of the Soviet bloc countries, there are more business opportunities for Thai businessmen.

Kasit, former deputy director-general of the Economic Affairs Department, said, under the current political and economic reforms in Eastern Europe, both state and private enterprises are allowed to initiate direct trade with foreigners and manage their own foreign exchange earnings.

The report also calls for more consultations with Eastern European governments to further strengthen bilateral cooperation in the field of research and development.

Kasit said, however, some unfavourable conditions between Thailand and these socialist countries must be eradicated to accelerate progress in bilateral relations.

Sitthi Addresses Meeting on Foreign Policy
BK2512004488 Bangkok BANGKOK POST in English
25 Dec 88 pp 1, 3

[Text] Chiang Mai—Foreign Minister Sitthi Sawetsila announced yesterday [24 December] that he would visit Vietnam from January 9-12 to speed up the search for a solution to the Kampuchean conflict despite the fact that "Vietnam has not withdrawn its troops (from Kampuchea and) has not lowered the knife pointing at our throat."

The visit will make him the first Thai foreign minister to visit Vietnam in many years.

In a lecture at a Social Action Party seminar on Thai foreign policy, ACM [Air Chief Marshal] Sitthi explained why the emphasis of Thai foreign policy has shifted to neighbouring countries.

"In the past, we only looked at our own security because we were preoccupied with the Communist problem.

"But in the last ten years, we have learned that if the lives of our people improve, they will not want to become Communists.

"Our social conditions are better than those of our neighbours, so we survive," he said.

Bearing this in mind, ACM Sitthi said, Thailand has tried to improve relations with its neighbours.

For example, fishermen had proposed that the Government despatch naval ships to the area near Malaysian waters to protect Thai trawlers from harassment by the Malaysian Navy.

"All should agree that this was not a good idea. We should solve problems by peaceful means, and open opportunities for competition in which we will win in the end," he said.

With Laos, ACM Sitthi pointed out that the Thai and Laotian peoples had been brothers since the days of the Lanna (Chiang Mai), Lan Chang Sisattanakhanahut and Sukhothai kingdoms.

"We were separated into two countries during the reign of King Rama V [Roman five], but our bonds are inseparable and it is normal for brothers to love as well as quarrel with each other sometimes," he said.

Referring to the fierce battle with Laos over Ban Romk-lao early this year, ACM Sitthi said:

"We quarrelled a bit too violently, and they (Laos) later came to ask for a ceasefire because they had spent too much in the battle."

Vientiane has gradually changed its economic system and made contacts with Thailand "which conforms to our foreign policy emphasis on economic prosperity," he added.

With Burma's Gen Saw Muang in power, he said, it is too soon for Deputy Foreign Minister Praphat Limpaphan to visit Rangoon, but "we have decided to send the army commander-in-chief (Gen Chawalit Yongchaiyut)."

Denying rumours that the Foreign Ministry is at odds with Prime Minister Chatchai Chunhawan's advisors on who should decide foreign policy, ACM Sitthi insisted that he has always been on good terms with the Premier.

"Actually we have been friends for more than 40 years—not only us, but our families as well. We can discuss anything," said the foreign minister.

He denied he had any conflict with the Prime Minister nor would his Social Action Party pull out of the coalition government. [sentence as published]

He said that foreign policy was not the exclusive domain of his ministry, but of the Government, and that all parties concerned, including the private sector, should be involved "so that we row the ship together in the same direction."

ACM Sitthi said he also enjoys close relations with the military.

Touching on the Prime Minister's stated desire to transform Indochina from a battlefield into a trading partner, ACM Sitthi said the Government policy statement delivered to Parliament on August 25 emphasised the use of foreign policy to promote economic prosperity.

Outlining the eight principles embodied in the foreign policy, Foreign Minister Sitthi maintained that it emphasises flexibility, independence and the national interest.

He dismissed criticism that Thai foreign policy bends too much towards the superpowers.

He revealed that Thailand had condemned the US bombing of Libya two years ago, despite Washington's request for support.

"I told the Cabinet then that (the air strike) was not right," he said.

On the other hand, he also told the Cabinet that Libyan backing of international terrorism was wrong.

"But at the time, we had to consider our own interests—our labourers in the Middle East," he said.

The Middle East is an important employer of Thai labour and market for Thai agricultural and industrial products.

He said Thailand also did not follow the foreign policy of the United States, China or ASEAN on the Kampuchean conflict.

"I can say whole-heartedly that I have formulated the policy myself," he said.

ACM Sitthi added:

"I don't want anything. I have all—honour, name and trust—not only in this country, but in other countries as well."

He said some people want to play a role in foreign policy for selfish ends.

"I don't monopolise the conduct of foreign policy. I would be happy to have help from other people as long as they are right," he said.

More on Address

BK2512005888 Bangkok THE NATION in English
25 Dec 88 pp 1, 2

[Text] Chiang Mai—Foreign Minister Sitthi Sawetsila warned yesterday that a "sensational" turnaround of Thailand's political and economic policy toward her Indochinese neighbours can boomerang against national interests.

Without naming names, the Social Action Party (SAP) leader said dramatic statements on abrupt shifts in foreign policy could be dangerous. He was apparently critical of the conception of Prime Minister Chatchai Chunhawan and his policy advisers on the Government House's roles regarding relationship with the neighbouring countries, particularly Vietnam and Kampuchea.

ACM [Air Chief Marshal] Sitthi was speaking to SAP MPs on "Thailand's Current Policy" during an in-house seminar at the Mae Ping Hotel to improve the party's performance. According to the programme, Sitthi was supposed to speak on "Prospects of Trade with Burma".

The minister said that adjustment of Thailand's political and economic relations with neighbours must be gradual, discreet and tactful.

In an apparent allusion to Vietnam, Sitthi said that Thailand should not hastily "embrace a man who is carrying a knife pointed at our neck, otherwise our friendly countries would feel that we have changed our stand simply out of selfishness."

In so doing, he said, foreign supporters of Thailand's past efforts to protect itself from the knife-wielding person could be encouraged to hold back assistance to Thailand in the future.

Sitthi said Gen Chatchai Chunhawan's remark that he will turn Indochina from a battlefield into a marketplace for Thailand was only his desire, and not exactly the policy of the ruling coalition.

Gen Chatchai made the remark right after his appointment to premiership and his wish was later incorporated into the coalition's policy statement that foreign policy will be used to serve and promote the economic prosperity of the country.

"Foreign policy does not belong to the Foreign Ministry, but the coalition government. In formulating the policy, the wishes of all coalition partners have to be blended together and national interests must form the basis of the policy. Nobody wants to determine and carry out foreign policy at the expense of national interests," he said.

"A personal wish must be distinguished from a government policy," he said.

He added that various government agencies and the private sector must cooperate with one another in the implementation of foreign policy whereas the Foreign Ministry is responsible for supervising the activities so they would proceed along the same policy direction.

Sitthi said Thailand's foreign policy has to be updated from time to time to suit the new circumstances and that in peace time like these days, the policy must be geared toward expanding trade and economic relations with other countries.

The government's foreign policy is to import more natural resources from neighbours for use as raw material in the domestic export industries, he said.

However, Sitthi said his relations with the prime minister remained good because they and their families have been close for about 40 years.

"I just had a private meal with him the other day and it is not appropriate for me to divulge our agreements," he said.

The minister also said that he has no intention of "monopolizing" foreign policy handling and would welcome assistance and cooperation from outsiders who harbour good intentions to enhance national prestige, reputation and interests.

"Foreign policy must be primarily based on national interests. I have been in the business for years and as a matter of fact, I have not gained anything and never wanted to gain anything for myself because I have got everything—honours, reputation and credibility not only inside the country but also outside the country. But some people are trying to manipulate foreign policy affairs just to build up their own reputation," he said.

The foreign minister also defended himself against criticism that he was an American boy.

"Critics failed to look at issues where the Foreign Ministry acted against US requests. When the US launched an air attack on Libya, the US sought our support but it was I who told the Cabinet that we should reject the request to keep our interests in the Middle East. We have many labourers there and the region is replete with the natural resources we need (i.e. crude oil)," he said.

Siddhi also made the following points:

—Thailand's efforts to break the Kampuchea deadlock did not make as much progress as it should in the past four or five years because Moscow then posed a major stumbling block. But after his initiative to woo the Soviet Union in 1986, the Soviet attitude has changed to the effect that they also agreed to the need of a political settlement.

—He said he will visit Hanoi during January 9-12 despite the fact that Vietnam has not lowered the knife aimed at Thailand's neck because he wants to speed up the peace process.

—In a year or two, border disputes with neighbouring countries will be fundamentally resolved. He was referring to Thailand's efforts to promote friendship with Laos and Burma.

—Thailand has to expand new overseas markets and the Middle East should be a target because Thailand is now having economic problems with the United States.

—His relations with the military are now excellent. "You can be assured and free of concerns on the matter," he said.

SIAM RAT Examines Origins of Foreign Policy
BK2512035088 Bangkok BANGKOK POST in English
25 Dec 88 p 9

[From the "Inprint" column]

[Text] Who actually has a say in charting the country's foreign policy?

Ever since Prime Minister Chatchai Chunhawan took over the country's administration four months ago, it has become increasingly evident that foreign policy is no more the exclusive territory of Foreign Minister Sitthi Sawetsila.

SIAM RAT weekly says in its commentary that two new groups have emerged in charting the foreign policy, namely Gen Chatchai and his advisers, and Army Commander-in-Chief Gen Chawalit Yongchaiyut.

SIAM RAT describes the Prime Minister's recent visit to Laos and his forthcoming trip to Vietnam as a change in the direction of foreign policy from the one adopted by his predecessor, Gen Prem Tinsulanon. The change, says the magazine, also reflects the compromising characteristic of Gen Chatchai and his liberal thinking on foreign affairs.

One of the Prime Minister's advisers on foreign affairs, Dr Surakiat Sathianthai, told SIAM RAT that he believes the Foreign Ministry is still responsible for charting the foreign policy, but the head of government must also have a say in running the affairs.

But Foreign Minister Sitthi seems to think otherwise. SIAM RAT reports that the minister recently complained that several other people have meddled with his ministry's affairs.

The paper notes that ACM [Air Chief Marshal] Sitthi has a reason to complain because in the last several years during Gen Prem's premiership, the Foreign Ministry is the only key player in charting the foreign policy.

Resentment against such "interference" also spread to the Social Action Party [SAP], led by ACM Sitthi. According to SIAM RAT, a group of SAP MPs loyal to ACM Sitthi is quietly working out some measures to deal with the problem.

"The party must do something because we feel that our leader and our party have been insulted badly," SIAM RAT quotes one MP as saying.

Progress Expected in Lao Border Talks
BK261208388 Bangkok THE NATION in English
26 Dec 88 Afternoon edition p 1

[Text] Deputy Foreign Minister Praphat Limpaphan said this morning he expects progress in the Thai-Lao negotiations scheduled to start tomorrow to resolve border disputes and promote bilateral trade.

Praphat, who co-chairs the Thai-Lao border committee, told reporters he anticipates positive results because of Prime Minister Chatchai Chunhawan's successful visit to Laos last month.

"I believe Thailand and Laos can achieve some progress toward the resolution of bilateral problems if the two sides sincerely want it," he said.

A major thorn in the Thai-Lao relations is the dispute at the Romklao village on the common border opposite Phitsanulok Province.

Praphat said that the negotiations will be based on Thai-Franco border agreements and other legal documents.

The Thai delegation will also tackle general issues on bilateral relations with a Laotian team led by Laotian Deputy Foreign Minister Soubah Salitthilat, who will remain here until Jan 9, 1989.

Meanwhile, Praphat denied a report that Premier Chatchai has suspended the proposed visit to Burma by a delegation led by him until after the general election was held in that country.

"The trip has yet to be scheduled because at the moment the Foreign Ministry is busy preparing for the negotiations with the Laotian team," he said.

Thai Side Said 'Open-Minded'

BK2712153688 Bangkok Domestic Service in Thai
1300 GMT 27 Dec 88

[Text] The Thai-Lao joint border committee held a meeting at the Foreign Ministry this afternoon, with Deputy Foreign Minister 2d Lieutenant Praphat Limpaphan heading the Thai side and Deputy Lao Foreign Minister Souban Salitthilat heading the Lao side.

2d Lt Praphat Limpaphan said that the border conflict between the countries at Phitsanulok Province and Sayaboury Province is a remaining issue and that like Laos, the Thai side wants to solve this problem by considering it a first priority. The talks will consider the scope of responsibilities of this committee so that the Thai-Lao joint border committee can make a steady progress.

The deputy foreign minister said that the Thai side of the committee is open-minded and intends to carry forth the work of this committee in line with the wishes of the Thai and Lao prime ministers who want the Thai-Lao border to be an area of peace and friendship.

Pratyathawi Tawethikun, deputy director general of the Foreign Ministry's Information Department, said after the meeting this evening that the meeting proceeded in an atmosphere of good friendship. The deputy ministers of the two countries mentioned the exceptional relations between Thailand and Laos. After the meeting began, a subcommittee was established to examine related materials, such as treaties and maps.

The meeting shows that the political atmosphere between the two countries has been improving in many aspects.

Breakthrough 'Expected'

BK2812024788 Bangkok BANGKOK POST in English
28 Dec 88 pp 1, 3

[Text] A breakthrough in relations with Vientiane can be expected from the current talks between the Thai and Laotian border committees, Deputy Foreign Minister Praphat Limpaphan said yesterday.

Speaking after the first meeting of the committees, Mr Praphat, who chairs the Thai side, said a more compromising stand by his Laotian counterpart, Souban Salitthilat, and a "very good atmosphere" augured well for progress.

More importantly, he said, both sides agreed to use a map obtained from France as a basis for talks to settle border conflicts.

The last round of Thai-Lao talks in March in Vientiane to settle the Ban Romklao dispute ended in deadlock.

According to the Foreign Ministry, while considering the mandate of the Joint Thai-Lao Committee, the Thai side felt the Franco-Siamese Treaty of 1907 and relevant maps must serve as the basis in line with an agreement among the respective military delegations.

But the Lao side attempted to have the relevant, legally-binding maps omitted and to add other legally non-binding factors such as geographical and linguistic considerations instead.

During yesterday's meeting, the committees agreed that talks must continue no matter how close they come to deadlock.

Thailand, said Mr Praphat, hoped the Joint Thai-Lao Border Committee would function as smoothly as the Joint Thai-Burmese Border Committee, which had efficiently surveyed, verified and demarcated the common border.

The Lao committee, led by Mr Souban arrived shortly before noon yesterday. After calling on Foreign Minister Sitthi Sawetsila, Mr Souban met Mr Praphat for about an hour.

During their meeting, the delegations formed a working group to define the framework of the Joint Thai-Lao Border Committee and draw up working programmes for joint surveys, verification and demarcation.

Before leaving Vientiane for Bangkok, Mr Souban told the Laotian Press he would strive for progress and hoped the sincerity shown by the two parties would lead to durable solutions.

Heading the Thai side in the working group is Political Department director-general M.R. Thep Thewakun, while Bounkeut Sangsomsak, director-general of the Lao Foreign Ministry's Second Department, leads the Lao side.

The full Thai and Lao border delegations met at about 4 p.m.

In the opening address, Mr Praphat said Thailand wanted the Ban Romklao conflict resolved first.

A resolution to the conflict would enhance cooperation on the basis of the Joint Communiqué signed in Vientiane on November 25 by Prime Minister Chatchai Chunhawan and Lao Premier Kaysone Phomvihane, he said.

Mr Souban, in an opening address, said that with closer understanding and cooperation, progress could be made.

The working group will resume its meeting this morning and the border committees will meet again in the afternoon.

The Thai side hosted a dinner for the Lao delegation last night at the Ambassador Hotel.

SRV Envoy Comments on Chatchai Policies
BK2512034288 Bangkok BANGKOK POST in English
25 Dec 88 p 9

[From the "Inprint" column]

[Text] Prime Minister Chatchai Chunhawan's Indochina policy has helped improve the political climate in Southeast Asia, Vietnamese Ambassador Le Mai says in an interview with KHAO PHISAT.

"It is a shrewd policy that can but have positive effects. Some people say one should wait for a solution to Kampuchea first. But if one kept on waiting, one might miss the train," he points out.

"It is better to co-operate. Then the train will move faster," he adds.

The prime minister's policy is a boost to political and economic situations in the region, he notes. Economic co-operation between Thailand and Vietnam "will go far," he says.

In a separate interview, Foreign Ministry spokesman Chet Sucharitkun tells SIAM RAT that changes are taking place because "the situation has changed."

Thailand previously advocated economic sanctions on Vietnam in order to pressure Hanoi into accepting a political solution to the Kampuchean problem. Europe, Japan and Australia were among countries that stopped trade or economic assistance to Vietnam and the move has brought results, he says.

Without mentioning Vietnam by name, he points out that "before some people said the situation in Kampuchea was irreversible. They don't speak that way anymore which means they have been forced to accept a political solution to the problem."

Because Thailand advocated economic sanctions, it would have appeared "comical" for it to enter into trade with Vietnam at the time, he says. But the Sino Soviet rapprochement has made for changes and Foreign Minister Sitthi Sawetsila's upcoming visit to Hanoi "shows that we have begun to see the light" although negotiations may take a long time, he added.

Many considerations are to be taken into account, including the form of trade with Vietnam, which has incurred a great deal of debt and may only be in a position to barter, he points out.

Ambassador LeMai reiterated Hanoi's concern—which he says are shared by other countries in Asia—over plans to set up a Chinese arms stockpile in Thailand.

Though an agreement is yet to be signed on the stockpile, the movement came amid a general turn towards compromise, Vietnam's partial troop withdrawal from Kampuchea and total pull-out from Laos, he notes.

Hence it is "rather difficult to understand why ...at this time, the question of arms stockpile should be raised," he says.

The ambassador confirms that Vietnam will withdraw its troops from Kampuchea by 1990 as promised and that the date would be brought forward if a political solution is reached before then.

However, he maintains that continued armed support for the Khmer Rouge is an obstacle to the process. "It is an urgent matter to stop extending arms support to the Khmer Rouge. If you continue to pour in arms support to them, it means that you are preparing for war, not peace," he adds, without mentioning China by name.

Southeast Asia as a whole will benefit from a Kampuchean settlement, he says. But the efforts for lasting peace do not stop at Kampuchea and, to eliminate confrontation, ASEAN may expand to incorporate Vietnam, Laos and Kampuchea, he suggests.

In addition, he repeats Vietnam's call for regional states to sign mutual non-aggression pacts and proposes an agreement, to be endorsed by the "world community," on the principles of relations.

On the future of Cam Ranh Bay, the ambassador stresses that it is a Vietnamese base being urged by the Soviet Union at its request.

"We let the Soviet Union use it because it submitted a request and is a friendly country. No-one knows what will happen in the future... it will depend on the overall political climate of this region."

On Vietnam's relations with the United States, the ambassador punches holes in the US argument that the process of normalisation is blocked by the Kampuchean situation.

According to the Vietnamese envoy, the process was almost sealed in September 1978—with embassy sites and staff being considered—but the US then normalised relations with China and subsequently stopped efforts with Vietnam.

It all happened before the Kampuchean problem arose and although Vietnam would like to have relations with the US "we are not in a hurry because we have managed for a so long," he said.

Cost of Living Rises by 3.8 Percent in 1988
BK2812045088 Bangkok THE NATION in English
28 Dec 88 p 15

[Text] The consumer price index, a measurement of changes in the retail value of a basket of fixed goods, rose 3.8 percent over 1987 for general consumers but low-income earners were hit with an increase of 4.7 percent, according to Commerce Ministry sources.

The consumer price index for rural consumers rose 7 percent. Movements in the prices of goods for general consumers showed variable increases.

The consumer price index for rural consumers rose 7 percent. Movements in the prices of goods for general consumers showed variable increases.

The causes for rising cost of living were attributed to three major factors.

The first was the rising price of agricultural commodities this year, particularly those of non-glutinous paddy, resulting in higher prices for consumption. The prices of

other crops such as maize and soybean rose substantially, having direct effects on the prices of animal feed and meat, pigs, poultry, eggs and vegetable oils.

The second was the expansion in the agricultural sector and increasing purchasing power of farmers who can afford to buy more consumer products. The export-manufacturing sector also showed rapid expansion resulting in the shortage of raw materials and rising prices.

The third factor was the rising price of capital goods such as fertilizer, farm tools and raw materials, which had to be imported at higher prices due to foreign exchange fluctuations. As a result, the prices of dairy products, vehicles and electrical goods have risen.

The increase in the cost of living was based on food and non-food items.

—Food and beverage: Prices moved along the upward trend after skidding to 2.9 percent in 1985. The index for the group rose 0.4 and 2.1 percent in 1986 and 1987 respectively.

The overall increase was 5.2 percent in the group and had an impact on the cost of living this year. Goods that showed higher prices were milled rice, meat, eggs, cooking oil and dairy products.

—Clothing: The index for this group rose 2.8 percent, which was similar to the levels in the past three-four years. However, prices continued on the upward trend for garments, school uniforms and canvas shoes.

—Housing: The index for this group showed a slowdown in its growth from 3.5 percent in 1987 to 2.8 percent this year. Price increases were seen in construction materials such as corrugated zinc sheets and plywood.

—Personal and medical care: The index edged up 0.9 of a percentage point after climbing 1.6 percent in 1987. There were higher prices for cold medication, medical fees, razor blades and sanitary napkins.

—Transportation: The index for this group rose moderately by 2.5 percent after there was a slowdown by 2.7 percent due to lower price of fuels. However, it edged up 0.6 of a point in 1987.

However, the Japanese yen's appreciation pushed up the prices of components of cars and motorcycles. Despite a reduction in retail oil prices late this year, the index for this group continues its upward trend.

—Recreation, reading and education: The index for this group rose 6.4 percent, compared with 0.8 and 1.3 in 1986 and 1987 respectively.

The increase was mainly due to higher prices for tuition fees, educational kits, and electrical goods in line with rising costs of imported raw materials. But ticket prices at movie theatres have not seen adjustment during the past few years.

—Tobacco and alcoholic beverages: The group showed an increase of 4.1 percent compared with 6.0 percent in 1987. The increase was mainly in the prices of liquor and beer.

CHANGING SUB-INDICES

	General Income	Low Income	Rural Income
Food and beverage	+ 5.2	+ 7.0	+ 11.2
Others (Non-food)	+ 3.2	+ 3.0	+ 3.7
Clothing	+ 2.8	+ 3.4	+ 4.6
Housing	+ 2.8	+ 3.0	+ 4.5
Personal and medical care	+ 0.9	+ 0.9	+ 1.5
Transportation	+ 2.5	+ 2.8	+ 3.6
Recreation, reading, and education	+ 6.4	+ 5.2	+ 1.9
Tobacco and alcoholic beverage	+ 4.1	+ 2.7	+ 1.0

Vietnam

Tran Quang Co, Indonesian Envoy View JIM

BK2712163588 Hanoi Domestic Service in Vietnamese
1430 GMT 27 Dec 88

[Text] On the afternoon of 27 December, Vice Foreign Minister Tran Quang Co received His Excellency Aswisarmomo, Indonesian ambassador in Hanoi, to clarify Vietnam's stance on the holding of the second Jakarta informal meeting—JIM II—on Cambodia.

Vice Foreign Minister Tran Quang Co recalled that at their 18 November talks in Hanoi, Vietnamese Foreign Minister Nguyen Co Thach and his Indonesian counterpart, Ali Alatas, had reached identical views over the particular importance of the JIM II and had agreed that Vietnam and Indonesia would achieve close cooperation to ensure fine results for this meeting in the hope of promptly reaching an equitable and rational political solution to the Cambodian issue as well as creating a general framework of peace and stability for Southeast Asia.

Earlier, the Indonesian side proposed that the ad hoc working group would meet on 9-11 February 1989 and that the JIM-2 would be held on 13-15 February 1989. The PRK, Vietnam, and Laos have replied and agreed to attend these meetings on those periods. Recently, the Indonesian side proposed to reschedule the meeting by 1 week. The Vietnamese side thinks that this proposal is acceptable. But recently, it was reported that the three Cambodian opposition factions asked for an indefinite postponement of the JIM II. This move totally runs counter to the current trend and aspiration for peace of the Cambodian people as well as of nations in the region.

Vietnam holds that the three Cambodian opposition factions alone cannot decide on whether the JIM II will be held or not. They can only contribute to solving the internal aspect of the Cambodian issue. They cannot

prevent the settlement of the international aspect of the Cambodian issue and the question of Southeast Asian peace and stability. It would be better for them to attend JIM II during the aforesaid period. If they failed to attend, JIM II must be held as scheduled without their presence.

Together with the PRK and the LPDR, Vietnam is ready to closely cooperate with Indonesia and other ASEAN countries in ensuring that JIM II is successfully held as scheduled.

Tran Quang Co Comments on JIM II

BK2812065688 Hanoi VNA in English 1552 GMT
27 Dec 88

[Text] Hanoi VNA December 27—Deputy Foreign Minister Tran Quang Co received here this afternoon Indonesian Ambassador Aswisarmomo to make clear to him Vietnam's viewpoints on the convocation of JIM 2 [Jakarta informal meeting].

Tran Quang Co recalled that in their talks in Hanoi on Nov. 18, Foreign Minister Nguyen Co Thach and his Indonesian counterpart Ali Alatas were unanimous on the special importance of JIM 2, and agreed that Vietnam and Indonesia would closely coordinate their actions to make it successful in finding out a fair and reasonable political solution to the Kampuchean question as well as in creating a framework of common peace and stability for Southeast Asia.

The Indonesian side once proposed to hold the meeting of the working group on Feb. 9-11, 1989 and JIM 2 on Feb. 13-15, 1989, and the proposal was accepted by the People's Republic of Kampuchea, Vietnam and Laos. However, Indonesia has recently asked to put back the meeting time one week. Vietnam has made it known that the rescheduling of the meeting time would be acceptable.

But more recently, it has been reported that the three opposition Khmer factions have demanded an indefinite postponement of JIM 2. This is a move against the current trend and desire for peace of the Kampuchean people and of other countries in the region. Vietnam holds that the three opposition Khmer factions alone cannot decide the convening of JIM 2. What they can only do is contribute to the settlement of the internal aspect of the Kampuchean issue. They can never prevent the settlement of the international aspect of the Kampuchean problem and the question of peace and stability in Southeast Asia. It is best for them to come and attend JIM 2 as mentioned above. Should they not come, JIM 2 must still be convened as scheduled even without their participation. Together with the People's Republic of Kampuchea and the Lao People's Democratic Republic, Vietnam is prepared to closely cooperate with Indonesia and other ASEAN countries in ensuring the holding of JIM 2 as scheduled and in making it a success.

Indonesia's Alatas on Jakarta Informal Meeting
BK2512152088 Hanoi VNA in English 1457 GMT
25 Dec 88

[Text] Hanoi VNA Dec. 25—ASEAN members remain convinced that the Jakarta informal meeting (JIM) on Kampuchea is a significant process towards finding a solution to the Kampuchean conflict, Indonesian Foreign Minister Ali Alatas was quoted by BERNAMA as saying Friday.

He said the ASEAN countries were not against the convening of an international conference because "we realise that the regional countries alone cannot solve the problem of Kampuchea comprehensively as there are international aspects to that problem that can only be tackled through an international conference."

"Therefore, Indonesia at least and ASEAN as a whole and the other participants of JIM remain convinced that we should continue our efforts within the JIM process. We should meet as planned sometime in February and should all endeavor together to come and make sure that JIM-2 will achieve substantive progress towards an overall comprehensive solution", Alatas said at his weekly press conference in Jakarta.

He added that it was not the right attitude for countries in the region to wait for major powers to find a solution to a regional problem.

VNA Cites TASS on SRV Troop Pullout
BK2312074988 Hanoi VNA in English 0700 GMT
23 Dec 88

[Text] Hanoi VNA Dec 23—The Soviet news agency TASS has described the seventh and biggest round of Vietnamese troop withdrawals from Kampuchea since last June as a goodwill act which "proves that the Vietnamese Government is committed to its pledge to withdraw its troops from Kampuchea by 1990."

In a recent commentary, TASS said: "The Soviet Union regards the peace initiatives and practical steps of the Vietnamese and Kampuchean Governments as a major contribution to settling the regional conflict in Southeast Asia, lowering military tension and improving the situation in that part of the world."

"Soviet leaders have declared more than once that the Soviet Union favours the earliest peaceful settlement of the Kampuchean problem and is ready to act as a guarantor of any agreement on settling the situation in and around Kampuchea," TASS concluded.

Vietnamese Experts from Cambodia Welcomed Home
BK2612153488 Hanoi VNA in English 1500 GMT
26 Dec 88

[Text] Hanoi VNA 25 December—A ceremony was organized here this afternoon to welcome home Vietnamese experts from their mission in Kampuchea.

It was attended, among others, by Vo Chi Cong, Politburo member of the Communist Party of Vietnam Central Committee and president of the State Council; Do Muoi, Politburo member of the CPV Central Committee and chairman of the Council of Ministers; Nguyen Thanh Binh, Politburo member and secretary of the CPV Central Committee; and Le Quang Dao, National Assembly chairman.

Also present on the occasion was Tep Hen, Kampuchean ambassador to Vietnam.

Addressing the ceremony, President Vo Chi Cong highlighted the Vietnam-Kampuchea fraternal friendship and militant solidarity and the Vietnamese experts' major contributions to the Kampuchean people's revolutionary cause.

On behalf of the home-coming experts, Cao Xuan Long reported on their achievements in Kampuchea during the past 10 years, especially their contributions to the revival of devastated Kampuchea. He thanked the Kampuchean party, government, and people for their help and hospitality.

Ambassador Tep Hen highly appreciated the Vietnamese experts' wholehearted assistance to the Kampuchean people's revolutionary cause. He said that the revival of the Kampuchean people is inseparable from the generous, impartial, effective, and timely assistance of Vietnam, particularly of the Vietnamese experts working in Kampuchea.

He availed himself of the opportunity to wish the special friendship and solidarity between Kampuchea and Vietnam and among Kampuchea, Vietnam, and Laos further consolidation and development.

Amendment of Constitution Resolution
BK2712112788 Hanoi VNA in English 0714 GMT
27 Dec 88

[Text] Hanoi VNA 27 December—The National Assembly of the Socialist Republic of Vietnam adopted at its fourth session on 22 December 1988 a resolution on the amendment to the 1980 Constitution of the SRV.

The resolution, signed by National Assembly Chairman Le Quang Dao, reads:

Based on Articles 83 and 147 of the Constitution of the Socialist Republic of Vietnam,

based on the National Assembly's resolution adopted at its third session in June 1988,

Considering the proposal of the Council of Ministers, the Commission for External Relations, and the Law Commission of the National Assembly, to conform with the foreign policy of the party and state in the present stage of the revolution:

The National Assembly decides:

To amend the Preamble of the Constitution of the Socialist Republic of Vietnam as follows:

Throughout their four-thousand-year history, the Vietnamese people have worked hard and fought heroically to build and defend their country. This long and persistent struggle for independence and freedom has fostered the staunch and indomitable tradition of our nation.

Since 1930, under the leadership of the Communist Party of Vietnam founded and forged by President Ho Chi Minh, and following the path of the Great Russian October Revolution, our people successively defeated the aggressors and their henchmen. They have completed the people's national democratic revolution, and have embarked on a socialist revolution and are building socialism. Our country, formerly a colony and a semi-feudal country, has become an independent, reunified, socialist state; a member of the world socialist community.

In 1945, following the defeat of fascism by the Soviet Army, our people successfully carried out the August Revolution. On 2 September 1945, President Ho Chi Minh proclaimed the declaration of independence. The Democratic Republic of Vietnam, the first worker-peasant state in Southeast Asia, was born.

However, the colonialists and imperialists invaded our country once again. Our people, who "would rather sacrifice all than lose our country and be enslaved," waged a long struggle against the invaders, and carried out a program of land reform. The great victory at Dien Bien Phu brought a glorious end to the war of resistance against the colonialists. In 1954, the Geneva Agreements were signed on the basis of recognition of Vietnam's independence, sovereignty, unity, and territorial integrity. The victory of the August Revolution and that of the anti-colonialist resistance signalled the beginning of the collapse of colonialism throughout the world. In an attempt to turn South Vietnam into a neo-colony and their military base, permanently partition our country, and to include South Vietnam, Laos, and Kampuchea into a counter-revolutionary front, the imperialists conducted an extremely barbarous war of aggression against Vietnam. Imbued with the truth that "nothing is more precious than independence and freedom," our people fought heroically, determined to liberate the South,

defend the North, and reunify the country. The successive victories of the Vietnamese people, together with the victories of the peoples of Laos and Kampuchea, led to the signing of the Paris agreement on Vietnam in 1973.

In the Spring of 1975, the Vietnamese people won total victory in a general offensive and uprising which culminated in the historic Ho Chi Minh Campaign. After 30 years of hard fighting, South Vietnam, the "iron fort of the homeland," was completely liberated.

While our entire people were struggling for national salvation, great achievements were recorded in the socialist revolution in the North: institution of socialist relations of production, abolition of the regime of human exploitation, building of the initial material and technical infrastructure of socialism, conduct of an ideological-cultural revolution, execution of the dual task of production and fighting, and fulfillment of the obligations of the great rear base towards the heroic South in the war against aggression.

The victories of the peoples of the three Indochinese countries as a whole, and the Vietnamese people in particular, in the war against imperialist aggression, heralded the complete bankruptcy of neo-colonialism, contributed to the consolidation and extension of the world socialist system, encouraged the national liberation movements and the workers' democratic movements, and accelerated the offensive of the three revolutionary currents of the present era.

Following the complete liberation of the South, our people held free general elections throughout the country, and achieved national reunification. In July 1976, our country adopted the name of Socialist Republic of Vietnam.

After 30 years of liberation war, our people are longing for peace to build their homeland, at the same time constantly promoting the glorious traditions of the nation and continuing their staunch struggle to firmly defend their independence, national sovereignty, reunification, and territorial integrity. Credit for the great successive victories of the Vietnamese Revolution goes to the Communist Party of Vietnam which had creatively applied Marxism-Leninism, charted correct lines to lead the revolution in our country, upheld the two banners of national independence and socialism, consolidated the worker-peasant alliance led by the working class, closely united all social strata within the national united front, built and developed the people's armed forces, constantly strengthened the revolutionary administration, combined patriotism with proletarian internationalism, combined the strength of our people with the world revolutionary movement, and coordinated the struggles on the political, military, and diplomatic planes.

These are victories of the ardent patriotism, the revolutionary heroism, and the sublime spirit of sacrifice of our compatriots and combatants throughout the country who are of one mind in struggling for national liberation, construction, and defence.

They are victories of the militant solidarity and the relations of cooperation and mutual assistance between the peoples of Vietnam, Laos, and Kampuchea; of the militant solidarity and great and effective aid of the Soviet Union and other fraternal socialist countries to the Vietnamese Revolution; and of the forces of national independence, democracy, and peace throughout the world which have actively supported the just cause of the Vietnamese people.

Our people's victories have been achieved through untold sacrifices and innumerable hardships. Our future is very bright but our tasks are very difficult. Let our entire people strengthen unity and act upon the sacred testament of our great President Ho Chi Minh, and advance with confidence along the line charted by the Fourth Congress of the Communist Party of Vietnam: "to firmly enforce the proletarian dictatorship; promote the working people's right to collective mastery of society; to simultaneously implement the three revolutions, namely the revolution in the relations of production, the scientific and technological revolution, and the ideological and cultural revolution, with the scientific and technological revolution as the kingpin; step up socialist industrialisation, which is the central task of the period of transition to socialism; establish the system of socialist collective mastery and large-scale socialist production, develop the new culture and foster new socialist-oriented people; abolish the regime of human exploitation and eliminate poverty and backwardness; maintain constant vigilance and continuously strengthen national defence; maintain political security and social order; successfully build our homeland, Vietnam, into a peaceful, independent, unified, and socialist country; actively contribute to the struggle of the world peoples for peace, national independence, democracy, and socialism."

The Socialist Republic of Vietnam needs a constitution institutionalising the current line of the Communist Party of Vietnam in the new stage. It is the Constitution of the period of transition to socialism on a national scale. Continuing and developing the Constitutions of 1946 and 1959, this Constitution sums up and affirms the gains of the revolutionary struggle of the Vietnamese people over the past half-century, expresses the will and aspirations of the Vietnamese people and guarantees the successful development of Vietnamese society in the coming period.

Being the fundamental law of the state, the present Constitution determines our political, economic, cultural, and social system; the basic rights and obligations of citizens; and the organizational structures and principles guiding the activities of state bodies. It specifies the relationships between the party's leadership, the people's mastery, and state management in Vietnamese society.

Let the entire Vietnamese people unite closely under the invincible banner of the Communist Party of Vietnam, and put this Constitution into effect in order to attain still greater successes in the cause of building socialism and defending our socialist homeland.

AFP Cites NHAN DAN on Preamble

BK2812034588 Hong Kong AFP in English 0320 GMT
28 Dec 88

[Text] Hanoi, Dec 28 (AFP)—Vietnam has amended the preamble of its Constitution to reflect a new foreign policy of improving relations with traditional foes, the Communist Party newspaper NHAN DAN reported here.

The amendment removes an entire passage summarising Vietnamese history, including references to former "aggressor" countries such as France, Japan and the United States, and the Chinese incursion of 1979.

The amendment, approved by the last session of the National Assembly which met here from December 13 to 22, only refers vaguely to "colonialists and imperialists". Gone are specific references to "Chinese expansionists and hegemonists" and "Japanese, French and American imperialists".

NHAN DAN commented Tuesday: "The Socialist Republic of Vietnam must have a Constitution which institutionalises the policies of the Vietnamese Communist Party in the new period."

Vietnam's new foreign policy aims to normalise relations with China, restore official links with the United States and strengthen ties outside the Soviet Union and its allies, in particular with the non-communist Association of South East Asian Nations (ASEAN), which comprises Brunei, Indonesia, Malaysia, Philippines, Singapore and Thailand.

The amendments coincide with the appearance of a possible solution to the 10-year-old problem of Cambodia, the principal obstacle to better relations between China and Vietnam.

Vietnam invaded Cambodia in 1978 to topple the Chinese-backed Khmer Rouge government and install a client regime in Phnom Penh. The Khmer Rouges continue to wage a guerrilla war as the strongest component of a three-party resistance movement fighting the Vietnamese occupation troops.

NHAN DAN also published a National Assembly resolution calling for the amendment of other articles of the 1980 Constitution which were said to be no longer relevant to Vietnam today.

A committee chaired by State Council Chairman Vo Chi Cong and including Prime Minister Do Muoi was set up to work out the amendments. They are expected to relate to a clause in the Constitution stipulating free medical treatment and schooling for all, following a parliamentary decision introducing charges.

The Vietnamese authorities have also recently admitted that capitalism has a long term place in the country, which conflicts with the constitutional ruling that the economy should be state-managed and collective-based.

National Assembly Approves Socioeconomic Targets
*BK2712163188 Hanoi VNA in English 1530 GMT
27 Dec 88*

[Text] Hanoi VNA December 27—The recent 4th session of the National Assembly, 8th Legislature, has adopted the 1989 socioeconomic plan with the following increases over 1988 for the main targets :

- Seven point six per cent for the GNP;
- Eight point two percent for the national income;
- Ten percent for industrial output value (12 percent for consumer goods) ;
- Five percent for agricultural output value;
- Fifteen percent for export value.

Other targets include:

- 20 million tonnes of food in paddy equivalent;
- 1,000 billion dong of investment in capital construction;
- Two percent as maximum population growth rate.

Commission for Cooperation, Investment
*BK2812070688 Hanoi Domestic Service in Vietnamese
1430 GMT 27 Dec 88*

[Text] The SRV National Assembly on 26 December decided to ratify Decision N. 90-NQ/HDNN-8 on establishing the State Commission for Cooperation and Investment to provide guidance for and administer the unified management of foreign cooperation and investment, which was issued by the Council of State on 6 August 1988, and Decision No 107-NQ/HDNN-8 on appointing Comrade Pham Song, deputy minister of public health, to the post of minister of public health, which was issued by the Council of State on 11 November 1988.

The National Assembly decided to let the Council of State announce the draft law on the protection of the people's health for suggestion by the public. Together with the drafting committee of the Council of Ministers, the Public Health and Social Welfare Committee and Judiciary Committee of the National Assembly must study and gather the people's suggestions to improve this draft law before submitting it to the National Assembly for approval in the next session.

The National Assembly also decided to ratify the final account of the State Budget for 1987 as follows:

Gross revenue: 425.778 billion dong;
Gross expenditure: 514.937 billion dong
Overdraft: 89.159 billion dong

These resolutions were passed by the Eighth SRV National Assembly's Fourth Session on 22 December 1988.

Pardon Granted to Man in 1984 Espionage Case
*BK2412072988 Hanoi VNA in English 0702 GMT
24 Dec 88*

[Text] Hanoi VNA Dec 24—At the request of the French Government and in furtherance of the lenient policy of the Vietnamese state and people, the Council of State has decided to grant special pardon to Mai Van Hanh and allow him to rejoin his family in Paris.

Mai Van Hanh, together with 20 others, were convicted of high treason and espionage for foreign countries by the Supreme People's Court sitting in Ho Chi Minh City on December 18, 1984. Mai Van Hanh and four others were given the death sentence. His penalty was later commuted to life imprisonment.

Nguyen Vu Mao Essay on Missile Group
*BK2612143788 Hanoi Domestic Service in Vietnamese
2330 GMT 18 Dec 88*

[Essay by Nguyen Vu Mao: "The H-58 Group and the Defense of the Airspace Over the Da River"]

[Excerpt] For members of the Air Defense and Missile Forces, the name Da River recalls the beginning of a significant event. The reason is because it was precisely during the fiercest days of the struggle against the U.S. imperialist-initiated destructive air war that our Air Defense Forces were equipped with another modern weapon to shoot down the air pirates.

The historically significant date of 24 July 1965 still remains fresh in the memory of each cadre and soldier of the Air Defense and Missile Forces. On that day, numerous fire-spitting dragons took off all of a sudden from the first SAM-2 missile launching pads along the Da River and set ablaze a group of U.S. iron crows as they were aggressively closing in to commit crimes. The first unit of the Air Defense Forces was then named the Da River Missile Group after the name of the area where our Air Defense and Missile Forces set out to win their first victory. [passage omitted]

Fiji

Restoration of U.S. Aid Welcomed; Ties Valued *BK2812103188 Hong Kong AFP in English 1024 GMT 28 Dec 88*

[Text] Suva, Dec 28 (AFP)—Fiji's interim government on Wednesday hailed the U.S. move to restore 1.357 million U.S. dollars in annual aid and said it valued highly its ties with Washington.

The United States suspended economic aid after the May 1987 military coup in Fiji but announced resumption of the program on Tuesday, saying it saw "positive" developments in the Pacific island republic.

Among them it cited the return of executive authority to civilian hands, the November 17 lifting of the internal security decree and the interim government's commitment to constitutional rule.

Acting Prime Minister Josevata Kamikamica, filling in for the ailing government head Ratu Sir Kamisese Mara, said in a brief statement that Fiji "warmly welcomed" the U.S. decision.

He said the interim government, which took over after the second coup in October, placed "great value on its relations with the United States."

100 Arrested for Setting up Sunday Roadblocks *BK2512070088 Melbourne Overseas Service in English 0500 GMT 25 Dec 88*

[Text] Police in Fiji have arrested about 100 people who tried to set up roadblocks in Suva and nearby areas in support of demands for a complete ban on commercial activities on Sunday. Those arrested includes Methodist church ministers and lay preachers and the leader of the Fijian National Party, Mr Sakiasi Butadroka, who was supporting a faction of the Methodist church which organized the roadblocks.

A police spokesman said the arrests were peaceful with no open confrontation. Those detained were being questioned at police stations in and around Suva but no charges have been made.

Last night, the police issued regular messages on national radio warning that any breaches of the public order act for illegal assembly and meetings on public roads would be dealt with under the law.

The minister for Home Affairs and commander of Fiji's Armed Forces, Major General Sitiveni Rabuka, also made a special appeal to the Methodist faction to abandon its planned demonstrations for the sake of national unity and peace.

Meanwhile, Fiji President Ratu Sir Penaia Ganilau has said in a Christmas message that goodwill among the people of his country will be severely tested in the coming year. He said Fiji faced many economic, political, and social challenges but with goodwill and understanding, they could be overcome.

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